

## SENATE

FRIDAY, MARCH 19, 1943

*(Legislative day of Tuesday, March 9, 1943)*

The Senate met at 12 o'clock noon, on the expiration of the recess.

The Chaplain, Rev. Frederick Brown Harris, D. D., offered the following prayer:

Eternal God, together we bow in the hush and joy of Thy presence, pausing in the morning tasks to listen for Thy call sounding in our ears. In the stillness wilt Thou whisper some word of insight within our souls? By the very opulence of Thy grace Thou art saying to us that of those to whom much has been given much will be required.

Save us from small and selfish living in so great a day. Have mercy upon us for our frantic boasts, our foolish words, and our perverse ways. Forgive us if greed for gain and lust for gold has made us complacently content with a system in which lives of men and women and little children have been held more cheap than merchandise. We pray for the coming of the commonwealth of brotherhood, where those who toil shall be honored and rewarded; where a man's worth shall be reckoned higher than the price of the things he fashions with hand or brain, and where science, redeemed from destruction, shall serve the common good as it walks with humble feet to find the God that faith hath found. In the name of Jesus Christ, our Lord, we ask it. Amen.

## THE JOURNAL

On request of Mr. HAYDEN, and by unanimous consent, the reading of the Journal of the proceedings of the calendar day Wednesday, March 17, 1943, was dispensed with, and the Journal was approved.

## MESSAGES FROM THE PRESIDENT

Messages in writing from the President of the United States submitting nominations were communicated to the Senate by Mr. Miller, one of his secretaries.

## MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Taylor, its enrolling clerk, informed the Senate that Hon. JOHN W. McCORMACK, a Representative from the State of Massachusetts, was elected Speaker pro tempore during the absence of the Speaker.

The message announced that the House had passed without amendment the following bills of the Senate:

S. 171. An act for the relief of Arthur A. Schlipke;

S. 405. An act for the relief of Mrs. Ernestine Fuseller Sigler;

S. 517. An act for the relief of Vodie Jackson; and

S. 518. An act for the relief of Robert T. Groom, Daisy Groom, and Margaret Groom Turpin.

The message also announced that the House had passed the bill (S. 677) to

amend the National Housing Act, as amended, with an amendment, in which it requested the concurrence of the Senate.

The message further announced that the House had agreed to the concurrent resolution (S. Con. Res. 9) condemning outrages inflicted upon civilians in the Nazi-occupied countries and favoring punishment of persons responsible therefor.

The message also announced that the House had passed the following bills and joint resolution, in which it requested the concurrence of the Senate:

H. R. 401. An act for the relief of James W. Kelly;

H. R. 441. An act for the relief of Charles Molnar;

H. R. 480. An act for the relief of Francesco P. Mastrilli;

H. R. 553. An act for the relief of Mrs. C. A. Lee, administratrix of the estate of Ross Lee, deceased;

H. R. 771. An act for the relief of Fisl Rosenberg and his wife, Sofie;

H. R. 772. An act for the relief of M. L. Leopold Rosenberg and his wife, Lisa;

H. R. 850. An act for the relief of George M. Louie;

H. R. 944. An act for the relief of Douglas R. Muther;

H. R. 1081. An act for the relief of Frank Borah;

H. R. 1219. An act for the relief of Fred Taylor;

H. R. 1238. An act for the relief of Mrs. Charles J. Bair;

H. R. 1278. An act for the relief of Dr. and Mrs. Richard Stever;

H. R. 1315. An act for the relief of George Henry Bartole and Vernon Wayne Tennyson;

H. R. 1463. An act for the relief of Florence B. Hutchinson;

H. R. 1467. An act to record the lawful admission to the United States for permanent residence of Rev. Julius Paal;

H. R. 1522. An act for the relief of Morton Fiedler;

H. R. 1724. An act to provide for the reimbursement of certain civilian personnel for personal property lost incident to the emergency evacuation of the United States Antarctic Service Expedition's East Base, Antarctica, on March 21, 1941, and for other purposes;

H. R. 1792. An act for the relief of Arthur G. Klein;

H. R. 1838. An act for the relief of Lucia Humble;

H. R. 1845. An act for the relief of Ted Vaughan, deceased;

H. R. 1874. An act for the relief of Robert P. Sick;

H. R. 1875. An act for the relief of Carl Swanson, Geraldine Cecelia Swanson, a minor, and Almer Swanson;

H. R. 1893. An act for the relief of George H. Crow;

H. R. 1942. An act for the relief of Henry B. Tucker;

H. R. 2003. An act to confer jurisdiction on the Court of Claims of the United States to hear, determine, and render judgment on the claims against the United States of Edwin Fairfax Naulty and Leslie Fairfax Naulty;

H. R. 2016. An act for the relief of William H. Linhart; and

H. J. Res. 96. Joint resolution making an appropriation to assist in providing a supply and distribution of farm labor for the calendar year 1943.

## CALL OF THE ROLL

Mr. HAYDEN. I suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore (Mr. LUCAS). The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Alken	Guffey	Pepper
Austin	Gurney	Radcliffe
Bailey	Hatch	Reed
Ball	Hayden	Revercomb
Bankhead	Hill	Reynolds
Brewster	Holman	Robertson
Bridges	Johnson, Calif.	Russell
Brooks	Johnson, Colo.	Scrugham
Buck	Kilgore	Shipstead
Burton	La Follette	Smith
Bushfield	Langer	Taft
Byrd	Lodge	Thomas, Idaho
Capper	Lucas	Thomas, Okla.
Caraway	McCarran	Thomas, Utah
Clark, Idaho	McClellan	Truman
Clark, Mo.	McFarland	Tunnell
Connally	McNary	Tydings
Danaher	Maloney	Vandenberg
Davis	Maybank	Van Nuys
Downey	Millikin	Wagner
Ellender	Moore	Walsh
Ferguson	Murdock	Wherry
George	Nye	White
Gerry	O'Daniel	Willey
Gillette	O'Mahoney	Willis
Green	Overton	Wilson

Mr. HILL. I announce that the Senator from Florida [Mr. ANDREWS], the Senator from Virginia [Mr. GLASS], and the Senator from Tennessee [Mr. McKELLAR] are absent from the Senate because of illness.

The Senator from Washington [Mr. BONE] and the Senator from New Mexico [Mr. CHAVEZ] are out of the city on official business for the Committee on Territories and Insular Affairs.

The Senator from Kentucky [Mr. BARKLEY], the Senators from Mississippi [Mr. BILBO and Mr. EASTLAND], and the Senator from Tennessee [Mr. STEWART] are detained on important public business.

The Senator from Kentucky [Mr. CHANDLER] and the Senator from Montana [Mr. MURRAY] are out of the city on official business for the Committee on Military Affairs.

The Senator from Washington [Mr. WALLGREN] is absent on official business for the Special Committee to Investigate National Defense.

The Senator from New York [Mr. MEAD] and the Senator from Montana [Mr. WHEELER] are necessarily absent.

Mr. McNARY. The Senator from New Jersey [Mr. BARBOUR], the Senator from Nebraska [Mr. BUTLER], and the Senator from New Jersey [Mr. HAWKES] are necessarily absent.

The ACTING PRESIDENT pro tempore. Seventy-eight Senators having answered to their names, a quorum is present.

## PETITIONS AND MEMORIALS

Petitions, etc., were laid before the Senate, or presented, and referred as indicated:

By Mr. CAPPER:

A petition, numerous signed, of sundry citizens of Kansas City, Kans., praying for the enactment of Senate bill 860, relating to the sale of alcoholic liquors to the members of the land and naval forces of the United States; to the Committee on Military Affairs.

By Mr. GREEN:

A joint resolution of the General Assembly of Rhode Island; to the Committee on Finance:

"Senate Joint Resolution 122

"Joint resolution memorializing the Senators and Representatives from Rhode Island in the Congress of the United States to use every effort to have enacted into law the bill now pending in Congress to authorize the erection of a United States veterans' hospital in the State of Rhode Island

"Whereas, there is now pending in Congress a bill to authorize the erection of a United States veterans' hospital in the State of Rhode Island, namely, H. R. 1604; and

"Whereas, every veteran organization in Rhode Island, the American Legion, the Veterans of Foreign Wars of the United States, the Disabled American Veterans of the World War, the Jewish War Veterans of the United States, and other similar organizations, the parents of men in service and the citizens of this State are highly in accord with the purposes of legislation which will provide sufficient hospital, domiciliary, and out-patient dispensary facilities in Rhode Island to care for the increasing number of disabled veterans of all wars: Now, therefore, be it

"Resolved, That the Senators and Representatives from Rhode Island in the Congress of the United States be and they hereby are requested to use every effort to have enacted into statute forthwith the bill (H. R. 1604), or any similar legislation, authorizing the erection of a United States veterans' hospital in the State of Rhode Island; and be it further

"Resolved, That duly certified copies of this resolution be transmitted by the secretary of state to the Senators and Representatives from Rhode Island in the Congress of the United States."

By Mr. THOMAS of Utah:

A concurrent resolution of the Legislature of the State of Utah; to the Committee on Military Affairs:

"House Concurrent Memorial 1

"Concurrent memorial memorializing Congress to enact H. R. 997 or S. 216 which will establish a Pharmacy Corps in the United States Army

"Whereas the men and officers serving in our armed forces are entitled to receive every safeguard of health and as a part of their health protection, an adequate and safe pharmaceutical service, especially in time of illness is essential; and

"Whereas there being no Pharmacy Corps in the Army, which would give an adequately educated and trained personnel for the dispensing of medicines and otherwise performing various and numerous duties in the medical supply service, but that many physicians are performing this work whose service might otherwise be utilized in hospitals and other medical duties and service; and

"Whereas there is now pending before the Congress proposed legislation which, if enacted, would establish a Pharmacy Corps in the Regular Army and thereby insure greater protection to the health and welfare of our men and officers in the military service; that such proposed legislation is known as H. R. 997 and S. 216: Now, therefore, be it

"Resolved by the Legislature of the State of Utah (the Governor concurring therein), That we earnestly endorse and recommend to the Congress of the United States, the enactment of H. R. 997 or S. 216 by the Congress of the United States; and be it further

"Resolved, That the secretary of state of the State of Utah send copies of this memorial to the Congress of the United States, the Vice President of the United States, the Speaker of the House of Representatives of the United States, and the United States Senators and Representatives from the State of Utah."

(The ACTING PRESIDENT pro tempore laid before the Senate a concurrent resolution identical with the foregoing, which was referred to the Committee on Military Affairs.)

RESOLUTIONS OF KANSAS LIVESTOCK ASSOCIATION

Mr. REED. Mr. President, I ask unanimous consent to present and to have printed in the Record and appropriately referred resolutions adopted at the thirtieth annual convention of the Kansas Livestock Association, at Wichita, Kans., on March 11, 1943.

There being no objection, the resolutions were referred to the Committee on Agriculture and Forestry and ordered to be printed in the Record, as follows:

1. Whereas food production is vital in the successful prosecution of the war, since the meat shortage is already becoming critical and experienced farm labor will be one of the major limiting factors in meeting the required meat production: Therefore be it

Resolved, That we endorse the mandate handed down by the War Manpower Commission providing for the deferment of agricultural labor as the only practical solution. To retain this experienced labor on the farm will require the recognition of their services as of as much importance toward winning the war as employees in defense industries and in the armed forces; therefore be it further

Resolved, That agricultural workers and worthy farm and ranching units receive emblems or other recognition signifying their contribution to the war effort.

2. Whereas the imposition of live animal ceilings would be thoroughly impractical and unworkable and would upset the whole marketing structure to the great detriment of producers; and

Whereas it would tend to decrease rather than increase production at this time of great need for more meat: Therefore be it

Resolved, That we urge Prentiss Brown, head of the Office of Price Administration, and Marvin Jones to steadfastly oppose the efforts now being made to impose such ceilings.

3. Whereas the production of beef has been hampered by a serious shortage of protein concentrates; and

Whereas an unusually large percentage of the supply has been diverted to small users by means of higher ceiling prices for less than 3-ton lots, or turned over to the mixed-feed dealers whose product is not so practical for range cattlemen in many instances: Therefore be it

Resolved, That we urge that the distribution of such concentrates in the future be more equitable and in line with the distribution in 1941.

4. Whereas there is new agitation with respect to lifting sanitary embargoes against the importation of livestock or dressed meats from countries where foot-and-mouth disease exists; and

Whereas the lifting has been consistently resisted by Congress and all interested livestock growers, due to the dangers of which we are all aware, and since the increased production of meat animals is necessary for domestic meats and war demands without endangering the industry: Therefore be it

Resolved, That we should insist that there be no modification whatsoever of our existing sanitary embargoes.

5. Whereas there is a critical shortage of labor, we suggest our Government immediately make every effort to stop any and all nonessential projects and make a close examination to determine the same, to the effect that all possible labor may be made available to the farms and ranches or defense effort.

6. Whereas the United States is today the safest place in the world in which to grow livestock from the standpoint of sanitary measures and freedom from disease: Therefore be it

Resolved, That we consider it essential that the best interest of this State and Nation be served by restoring the Federal Bureau of Animal Industry to its original authority, with all its forces under the unified direction of a veterinarian as chief.

7. Whereas a real shortage exists in the supply of steel, ranch tools, and equipment, especially standard-gage barbed wire, windmills, stock tanks, and the like: Therefore be it

Resolved, That the War Production Board increase the production of the items to meet our minimum requirements.

8. Whereas we must conserve manpower to the greatest extent possible: Therefore be it

Resolved, That the national workweek be extended to a 50-hour workweek on straight time in all industries before time-and-a-half pay starts.

9. Whereas in reciprocal trade agreements there have been departures from the program originally outlined: Therefore be it

Resolved, That we urge if any such trade agreements be made or if existing agreements be extended in the future, it be only with the consent and advice of the Congress of the United States.

10. Whereas recent reports have indicated the plan for meat rationing contemplates a ration of only 1½ pounds per capita per week (including cheese); and

Whereas this amounts to only slightly more than 10,000,000 pounds annually, less than half the estimated production for this year; and

Whereas with more than 78,000,000 cattle in the country a sudden increase in marketing, due to drought or other unforeseen emergency, might bring about a serious market condition: Therefore be it

Resolved, That because of the perishable nature of the product rationing be started on a basis more in line with the available supply, as rationing below that level may bring many serious complications.

11. Whereas there is today a maladjustment of freight rates on our products to the Pacific coast which makes it impractical to move them west except alive; and

Whereas there is a big demand on the Pacific coast for pork and beef, since the increasing population must be fed: Therefore be it

Resolved, That we urge that freight rates on packing-house products and fresh meat from the Midwest to the Pacific coast be reduced so that Kansas and other midwestern producers of livestock may sell their products, either alive or dead, free from freight discriminations.

12. Whereas the livestock producers of this State are making every effort to increase production and marketing of livestock; and

Whereas trucks provide an essential and necessary method of transportation: Therefore be it

Resolved, That we urge: (A) That the speed of trucks transporting livestock and other perishable products be increased to a speed at which they will operate at the maximum of efficiency in the conservation of rubber, gasoline, parts, and manpower. (B) That we are opposed to the issuance of any orders or regulations restricting any form of transportation to a given distance such as 250 or 300 miles as is now being considered by the Federal authorities; also be it

Resolved, That drivers of trucks engaged in transportation of livestock and agricultural products be considered as essential to the war effort.



13. Whereas existing credit facilities, both Federal and private, are more than ample; and

Whereas cattle numbers have expanded greatly in recent years: Therefore be it

*Resolved*, That we express our grave concern over the revival of the Regional Agricultural Credit Corporation because of the danger of further and unwise expansion in cattle production.

14. In view of the increased demands being made upon the railroads, we recommend their service to the livestock industry.

15. We commend the livestock commission men and marketing agencies for making collections for the National Live Stock and Meat Board.

16. We commend the National Live Stock and Meat Board for its splendid work with the armed forces of the United States of America in cutting and preparing meats.

17. We recommend a continued effort toward the adoption of more uniform sanitary regulations between States.

18. We commend the Kansas Bureau of Investigation for its work toward eliminating the hazard of livestock thefts.

19. We recommend the State livestock sanitary commissioner continue his activities and regulations in supervising community sales of Kansas.

20. We express our appreciation to the ladies who served on the several committees, also to the men of the reception and arrangements committees.

21. We wish to thank each and every one who contributed to our program.

22. We do approve and urge the legislature now in session to enact into law Senate bills 240 and 241 and their companion House bills. These measures strengthen the present community sales law, make more effective the State branding law, provide machinery and means for cattle inspection, and set up a much needed livestock board in Kansas. We believe their adoption will materially advance the interests of the livestock industry in Kansas.

#### REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. GEORGE, from the Committee on Finance:

H. R. 1780. A bill to increase the debt limit of the United States, and for other purposes; with an amendment (Rept. No. 123).

By Mr. WHERRY, from the Committee on Claims:

H. R. 218. A bill for the relief of H. F. Mathis; without amendment (Rept. No. 124); and

H. R. 402. A bill for the relief of Frank T. Been; without amendment (Rept. No. 125).

By Mr. WILEY, from the Committee on Claims:

S. 135. A bill to confer jurisdiction upon the Court of Claims of the United States to hear, determine, and render judgment on the claim of the General State Authority of the Commonwealth of Pennsylvania; without amendment (Rept. No. 126).

By Mr. TYDINGS (for Mr. Glass), from the Committee on Appropriations:

H. R. 1648. A bill making appropriations for the Treasury and Post Office Departments for the fiscal year ending June 30, 1944, and for other purposes; with amendments (Rept. No. 127).

By Mr. ELLENDER, from the Committee on Claims:

H. R. 1785. A bill for the relief of the William Wrigley, Jr., Co.; without amendment (Rept. No. 128).

#### ENROLLED BILLS PRESENTED

Mrs. CARAWAY, from the Committee on Enrolled Bills reported that that com-

mittee presented to the President of the United States the following enrolled bills:

On March 17, 1943:

S. 786. An act to amend title I of Public Law No. 2, Seventy-third Congress, March 20, 1933, and the Veterans Regulations to provide for rehabilitation of disabled veterans, and for other purposes.

On March 19, 1943:

S. 303. An act to extend the jurisdiction of naval courts martial in time of war or national emergency to certain persons outside the continental limits of the United States.

#### EXECUTIVE REPORTS OF COMMITTEES

As in executive session,

The following favorable reports of nominations were submitted:

By Mr. HAYDEN, from the Committee on Post Offices and Post Roads:

Sundry postmasters.

By Mr. REYNOLDS, from the Committee on Military Affairs:

Samuel M. Derrick, from the State of South Carolina, to be field supervisor, at \$5,600 per annum, in the Atlanta regional office of the War Manpower Commission;

A. Frederick Smith, from the State of Florida, to be senior economist, at \$4,600 per annum, in the Atlanta regional office of the War Manpower Commission; and

James J. Carney, Jr., from the State of Florida, to be program control technician, at \$4,600 per annum, in the Atlanta regional office of the War Manpower Commission.

#### BILLS INTRODUCED

Bills were introduced, read the first time, and by unanimous consent, the second time, and referred, as follows:

By Mrs. CARAWAY:

S. 889. A bill granting a pension to Maurice E. Welton, alias Charles E. Martin; to the Committee on Pensions.

By Mr. WILEY:

S. 890. A bill to provide for the extension of patents for a period equal to the period during which owners are unable to derive benefits from them on account of the war emergency; to the Committee on Patents.

By Mr. BYRD:

S. 891. A bill for the relief of Rebecca Collins and W. W. Collins; to the Committee on Claims.

Mr. CLARK of Idaho:

S. 892. A bill for the relief of William H. Linhart; to the Committee on Immigration.

By Mr. SHIPSTEAD:

S. 893 (by request). A bill to authorize the Secretary of the Interior, in carrying out the purposes of the act of May 18, 1916 (39 Stat. 137) to purchase logs, lumber, and other forest products; to the Committee on Indian Affairs.

By Mr. VAN NUYS:

S. 894 (by request). A bill to provide improvement in the administration of parole; and

S. 895. A bill to provide a correctional system for adult and youth offenders convicted in courts of the United States; to the Committee on the Judiciary.

By Mr. SMITH:

S. 896. A bill to authorize the Secretary of Agriculture to adjust titles to lands acquired by the United States which are subject to his administration, custody, or control; to the Committee on Agriculture and Forestry.

By Mr. BAILEY:

S. 897. A bill to amend the act known as the Insecticide Act of 1910 (36 Stat. 331), approved April 26, 1910; to the Committee on Commerce.

By Mr. WALSH:

S. 898. A bill to confer the same rights, privileges, and benefits upon members of the United States merchant marine who served during the World War as are conferred upon members of the armed forces of the United States who served during such war; to the Committee on Commerce.

By Mr. REYNOLDS:

S. 899. A bill to amend the act approved January 2, 1942, entitled "An act to provide for the prompt settlement of claims for damages occasioned by Army, Navy, and Marine Corps forces in foreign countries"; to the Committee on Military Affairs.

By Mr. JOHNSON of California:

S. 900. A bill to restore Capt. Lara P. Good, retired, to the active list of the United States Army; and

S. 901. A bill to authorize the issuance of service medals to members of the American Expeditionary Force who participated in the occupation of Siberia in 1918-20; to the Committee on Military Affairs.

By Mr. PEPPER:

S. 902. A bill for the relief of Christine W. Ransberger; to the Committee on Claims.

#### HOUSE BILLS AND JOINT RESOLUTION REFERRED OR PLACED ON THE CALENDAR

The following bills and joint resolution were severally read twice by their titles and referred, or ordered to be placed on the calendar, as indicated:

H. R. 401. An act for the relief of James W. Kelly;

H. R. 553. An act for the relief of Mrs. C. A. Lee, administratrix of the estate of Ross Lee, deceased;

H. R. 944. An act for the relief of Douglas R. Muther;

H. R. 1081. An act for the relief of Frank Borah;

H. R. 1219. An act for the relief of Fred Taylor;

H. R. 1238. An act for the relief of Mrs. Charles J. Bair;

H. R. 1278. An act for the relief of Dr. and Mrs. Richard Stever;

H. R. 1315. An act for the relief of George Henry Bartole and Vernon Wayne Tennyson;

H. R. 1522. An act for the relief of Morton Fiedler;

H. R. 1792. An act for the relief of Arthur G. Klein;

H. R. 1838. An act for the relief of Lucia Humble;

H. R. 1845. An act for the relief of Ted Vaughan, deceased;

H. R. 1874. An act for the relief of Robert P. Sick;

H. R. 1875. An act for the relief of Carl Swanson, Geraldine Cecelia Swanson, a minor, and Almer Swanson;

H. R. 1893. An act for the relief of George H. Crow;

H. R. 1942. An act for the relief of Henry B. Tucker; and

H. R. 2003. An act to confer jurisdiction on the Court of Claims of the United States to hear, determine, and render judgment on the claims against the United States of Edwin Fairfax Naulty and Leslie Fairfax Naulty; to the Committee on Claims.

H. R. 441. An act for the relief of Charles Molnar;

H. R. 480. An act for the relief of Francesco P. Mastrilli;

H. R. 771. An act for the relief of Fisil Rosenberg and his wife, Sofie;

H. R. 772. An act for the relief of M. L. Leopold Rosenberg and his wife, Lisa;

H. R. 850. An act for the relief of George M. Loule;

H. R. 1467. An act to record the lawful admission to the United States for permanent residence of Rev. Julius Paal; and

H. R. 2016. An act for the relief of William H. Linhart; to the Committee on Immigration.

H. R. 1463. An act for the relief of Florence B. Hutchinson; and

H. R. 1724. An act to provide for the reimbursement of certain civilian personnel for personal property lost incident to the emergency evacuation of the United States Antarctic Service Expedition's East Base, Antarctica, on March 21, 1941, and for other purposes; to the calendar.

H. J. Res. 96. Joint resolution making an appropriation to assist in providing a supply and distribution of farm labor for the calendar year 1943; to the Committee on Appropriations.

# NOTICE OF MOTION TO SUSPEND THE RULE—AMENDMENTS—TREASURY AND POST OFFICE DEPARTMENTS APPROPRIATIONS

Mr. TYDINGS (for Mr. GLASS) submitted the following notice in writing:

In accordance with rule XL of the Standing Rules of the Senate, I hereby give notice in writing that it is my intention to move to suspend paragraph 4 of rule XVI for the purpose of proposing to the bill (H. R. 1648) making appropriations for the Treasury and Post Office Departments for the fiscal year ending June 30, 1944, and for other purposes, the following amendments, namely:

On page 13, line 5, after the word "Treasury", to insert the following: "Provided further, That field employees of the War Savings Staff may be reimbursed, at not to exceed 3 cents per mile, for travel performed by them in privately owned automobiles while engaged in the promotion of the sale of United States Government securities (estimated War Savings bonds) within the limits of their official stations."

On page 33, line 25, after "Bureau of Accounts", insert the following: "including the employment of temporary personnel by contract or otherwise without regard to section 3709 of the Revised Statutes, or the civil service and classification laws, for the purpose of making studies of the cost, rating and accounting procedures of the Postal Service."

Mr. TYDINGS also (for Mr. GLASS) submitted two amendments intended to be proposed by Mr. GLASS to the bill (H. R. 1648) making appropriations for the Treasury and Post Office Departments for the fiscal year ending June 30, 1944, and for other purposes, which were ordered to lie on the table and to be printed.

(For text of amendments referred to, see the foregoing notice.)

# TEMPORARY CLERK, COMMITTEE ON EDUCATION AND LABOR

Mr. THOMAS of Utah submitted the following resolution (S. Res. 116), which was referred to the Committee to Audit and Control the Contingent Expenses of the Senate:

Resolved, That Resolution No. 251, agreed to June 4, 1942, authorizing the Committee on Education and Labor to employ an additional clerk during the fiscal year beginning July 1, 1942, to be paid from the contingent fund of the Senate at the rate of \$1,800 per annum, hereby is continued in full force and effect from July 1, 1943, until the end of the Seventy-eighth Congress.

# LANDS FOR GRAZING PURPOSES—CHANGE OF REFERENCE OF LETTER AND PROPOSED BILL

Mr. McCARRAN. Mr. President, on March 16 there came from the Secretary of the Interior a letter, with a proposed bill attached. A notation to that effect appears on page 2021 of the Record. The letter, with the accompanying paper, was referred to the Committee on Agriculture and Forestry. The subject matter of the proposed bill and letter pertain entirely to grazing. It was undoubtedly erroneously referred, and I respectfully ask unanimous consent that the Committee on Agriculture and Forestry be discharged from further consideration of the letter, and that it, together with the proposed bill, be referred to the Committee on Public Lands and Surveys.

Mr. McNARY. Mr. President, the able Senator from Nevada spoke to me about that matter a moment ago. Most of the grazing takes place on the public domain, and the Committee on Public Lands and Surveys has jurisdiction over that Government property. There is some grazing in the national forests and some on Indian reservations. I think properly this letter should have been referred to the Committee on Public Lands and Surveys, and not to the Committee on Agriculture and Forestry. That is my judgment under the construction of the rules of the Senate and the practices incidental thereto.

Mr. SMITH. Mr. President, what was the proposed bill?

Mr. McCARRAN. The matter came from the Department of the Interior and deals entirely with grazing.

The ACTING PRESIDENT pro tempore. Without objection, the change of reference will be made as requested.

# CONTROL OF PORK PRICES AND PRICE CEILING ON LIVE ANIMALS

Mr. LANGER. Mr. President, I desire to bring to the attention of the Senate a petition signed by various farmers in Minnesota and North Dakota. The petition is dated Casselton, N. Dak., under date of March 15, 1943, and is addressed to Mr. Marvin Jones, White House, Washington, D. C. It reads in part:

We, the undersigned, farmers of the Red River Valley of North Dakota, are opposed to the proposed plan of the Government to control pork prices to eliminate the black market by the establishment of ceiling prices for live hogs. Ceiling prices for live hogs would not control live-hog values because weight, grade, dockage, and fill are all factors which directly influence hog values. If ceiling prices are to be established, then sale weights established by disinterested weighmasters over scales officially tested would be necessary to prevent the creation of ideal conditions for black-market operations through the establishment of weights. It would also be as necessary to establish uniform grades for all hog-producing territories and have disinterested trained hog men do the grading, as it would be to fix a ceiling price. Grading provides just as effective opportunities for black-market operations as does price.

The same is true with regard to rest, feed, and water after the trip from the farm to the sale point. Some hogs arrive empty, some

hogs arrive partially empty, and others arrive in filled condition. The degree of fill has a direct bearing on sale appearance, grade, and quality.

I ask unanimous consent to have the remainder of the petition, together with the names and addresses of the signers printed in the Record.

The PRESIDING OFFICER. Without objection, it is so ordered.

The remainder of the petition, together with the names of the signers and their addresses, is as follows:

If the ceiling price was to be fixed it would be necessary to standardize fill condition of live hogs when offered for sale throughout all swine-producing areas of the country unless all factors affecting sale value of live hogs are fixed, supervised and controlled by trained hog men, the purpose for which live-hog ceilings are established would be defeated. There are not enough hog men in the country trained in standardizing and grading to perform the marketing services necessary to make the live-hog ceiling plan successful and unless the plan is carried out successfully, hog producers of the country are left in a position of being unprotected in matters of hog marketing.

Dockage for staginess, for excessive weight due to pregnancy, excessive weight due to milk bellies, etc., are also factors which producers are not willing to have determined by the buyer who purchases the hog.

The establishment of ceiling prices on live hogs will tend to eliminate competition for hogs which represents the producer's protection against the influence of variable sale factors.

The proposed plan will tend to eliminate competition and penalize the grower of quality hogs and thereby result in a decrease in production.

We contend that the present ceiling prices for the finished product represent a peg on the live hog price and are sufficient to control pork prices; for the above reasons we are opposed to the establishment of ceiling prices for live hogs.

H. M. Sundby, R. M. Scilley, Wm. H. Rohde, Carl Lahren, J. Ronice, P. B. Fredrickson, Arthur Freise, R. J. Schroeder, Davenport, N. Dak.; Achille Libbrecht, Fargo, N. Dak.; Melvin H. Holte, president, North Dakota Swine Breeders Association, Gardner, N. Dak.; H. K. Baltheuser, Arthur Moyer, West Fargo, N. Dak.; Geo. C. Howe, Wm. J. Austin, Casselton, N. Dak.; C. S. Cranen, Albert Erdman, Davenport, N. Dak.; Donald Swenson, E. Christenson, Kenneth Pyle, West Fargo, N. Dak.; Victor Gohdes, Mapleton, N. Dak.; Floyd Hans, Davenport, N. Dak.; Chas. Harrington, Gardner, N. Dak.; Ed Wohner, Casselton, N. Dak.; L. Scherweit, Mapleton, N. Dak.; G. F. Weber, Casselton, N. Dak.; Ingman Teigen, Jerome J. Eide, Morgan Ford, Fargo, N. Dak.; A. Kasowski, Ralph Franke, Walter A. Saewert, Casselton, N. Dak.; Arthur B. Wickmann, Leonard, N. Dak.; Ed Nesemeier, Herbert L. Bucholz, Walter Lambrecht, Casselton, N. Dak.; Frank J. Weber, Wheatland, N. Dak.; Gordon LeBree, Geo. H. Nesemeier, F. R. English, Casselton, N. Dak.; John M. Gonglet, Edmund Sell, Amenla, N. Dak.; Henry Bernstein, Durbin, N. Dak.; Bill Sinz, J. R. Askew, Albert Sinner, Armond Nilles, Albert B. Nilles, Joe J. Nilles, Leo N. Sinner,



Wm. J. Austin, Casselton, N. Dak.; H. A. Miller, Durbin, N. Dak.; F. A. Brown, Roy Johnson, Clarence Hendrickson, John S. Dalrymple, Jr., Casselton, N. Dak.; R. A. Baumgartner, Durbin, N. Dak.; W. C. Byram, John Jendro, Casselton, N. Dak.; Joe Runck, Durbin, N. Dak.; Max H. Strehlow, Thos. G. Hagen, Chas. Amstruf, C. J. Dahlen, John Ottis, Joseph Odden, Melvin Anderson, Gedeon Sauvageau, J. A. Fjelstad, R. E. Hamry, O. M. Husebye, Theo. Perhus, S. T. Lykken, Elies Guberud, Palmer Thrane, Ole Tuneberg, Esten Twedt, Kindred, N. Dak.; Arthur Rohde, Lyle Rohde, Davenport, N. Dak.; Ole Jordheim, Walcott, N. Dak.; C. O. Sorenson, Davenport, N. Dak.; Ole Alsager, Walcott, N. Dak.; Carl Magenton, Ernest Mettun, Oscar Braaten, Kindred, N. Dak.; P. J. Smeby, Hickson, N. Dak.; Gerhard Nettum, M. A. Severson, A. M. Thoen, Carl Simenson, Kindred, N. Dak.; Howard Husebye, W. O. Bubertson, Hickson, N. Dak.; Albert Nepstad, Olander Johnson, W. O. Perhus, Kindred, N. Dak.; Victor Rheault, Horace, N. Dak.; Henry Knutson, Kindred, N. Dak.; H. O. Morgan, Walcott, N. Dak.; Conrad Hygard, Kindred, N. Dak.; Julius Olson, Davenport, N. Dak.; Napoleon Sauvageau, Leo Sauvageau, Horace, N. Dak.; Alvin T. Siminon, H. C. Hertsgard, Elvin C. Twedt, Kindred, N. Dak.; Theo. L. Gulvig, Davenport, N. Dak.; Ole J. Braatin, Kermit S. Johnson, Morris Fro-saker, Oliver Grant, Swen E. Graff, Kindred, N. Dak.; Clarence H. Heuer, Davenport, N. Dak.; Leon Cockerill, Mapleton, N. Dak.; Clemens O. Hans, A. P. Hauer, Hubert Schwartz, Milford Mickelson, I. O. Graff, Davenport, N. Dak.; A. T. Moderow, L. J. Langer, Casselton, N. Dak.; Ewald Baumgartner, Otto A. Nelson, Durbin, N. Dak.; Charles Sherwalt, John L. Ford, Casselton, N. Dak.; Otis Broden, Armond Oswald, Ralph Haugen, R. C. Sundet, Ole Pederson, Ellsworth Pederson, Henry Flom, Oscar Mehle, Albin Kilen, Joseph J. Quoldister, M. A. Moen, Gilbert Moen, Ralph Helm, Harold Berhow, Owen Johnson, Albert Hamre, Robert Gullickson, Wm. Nephew, Arthur Larson, Lloyd Larson, Christ Kwraas, Forest Christenson, Gilbert Kaste, Howard A. Berg, Ervin Trovtevd, Helmer Johnson, Gustav Haugen, Gilbert Fosse, Elmer Lewis, Carl A. Olson, Andrew C. Rice, Lloyd H. Mowig, Iver Mowig, Max Leiser, Hans Skredergaard, Ole Hoffe, Sam Matlestad, Otto Bolstad, Olson Bros., Floyd Olson, Lestern Strom, Arnold Erickson, Herman Edlund, Gilman Erickson, O. C. Vidden, M. P. Sollie, Roed Bros. Herman Ruther, Ingvald Bolstad, Art Ranger, Bennes Bros., A. F. Smith, Herman H. Erikson, Arnold Froite, Wm. Clementson, Lars Harne, Morris Taallund, Alfred O. A. Morvig, S. T. Torpet, A. Melfred Roragen, Edan Taallund, Harold Larson, R. R. Scott, John A. Larson, Ruben Stone, Lloyd E. Larson, S. T. Hovland, Alvin Christenson, Lee Erickson, Kenneth Bolstad, Har-men Juelson, Anton Vikar, Albin

Johnson, Oscar Boen, Fertile, Minn.; Alfred J. Lindback, Ingvald Hovde, Walter Peterson, Henry Asby, John W. Anderson, Lawrence Johnson, Manley Larson, Twin Valley, Minn.; Almer Hedahl, Clarence Hedahl, A. A. Hadedank, L. S. Visser, Ada, Minn.; Albert Miller, Jr., Albert A. Miller, Lockhart, Minn.; Kenneth Visser, Ada, Minn.; Ed Enersice, Gary, Minn.; Fred Johnson, Twin Valley, Minn.; Alvin Wm. Hadedank, Fred Thorforde, Carl Volderding, Oscar Wolberg, P. L. Jacobson, Ada, Minn.; R. M. Adkins, Lockart, Minn.; Fred Lothner, Ada, Minn.; Ed. N. Juve, Twin Valley, Minn.; H. Eckhoff, Ada, Minn.; Lawrence Hovland, Perley, Minn.; H. Peters, C. E. Olson, Ada, Minn.; John B. Ellingson, Roscoe Smith, Perley, Minn.; John C. Krabbenhoft, Lockhart, Minn.; Axel Erickson, Hans Hanson, Gary, Minn.; Lowell Ambruhl, Ada, Minn.; F. E. Hunt, Henry L. Nelson, Ray Mills, Sam Erickson, H. R. Jorgenson, Oliver Myran, Selmer Skjera, Dan McGregor, R. J. Robertson, Oscar Haslend, Donald George, Oscar Anderson, Carl Ekre, Thomas Villard, O. Gilbertson, John Sjoberg, Rudolf Helmichen, O. J. Hillstead, Nels Giere, H. Hovelson, E. G. Lepper, A. E. Lepper, Emil Petermann, Oscar Longerd, Hawley, Minn.; Wm. Meyer, Jr., Anton Anderson, Dale, Minn.; Ole T. Kleiv, Oscar Skjerva, Albin Anderson, O. H. Bergan, Hawley, Minn.; Milton Mikkelsen, Martin Thorm, Lake Park, Minn.; Edwin Knutson, Elmer Knutson, B. Knutson, D. Johnson, Carl Eppler, Hawley, Minn.; J. L. Miller, Ulen, Minn.; Geo. H. McDonald, Carl Lepper, J. R. McCormick, Hawley, Minn.

Mr. LANGER. I also ask unanimous consent to have printed in the RECORD a letter received from Mr. M. H. Holte, president of the North Dakota Swine Breeders' Association, along the same line.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

GARDNER, N. DAK., March 13, 1943.  
Senator WILLIAM LANGER,  
Washington, D. C.

Dear Senator LANGER: At the winter show in Valley City, N. Dak., 75 swine breeders voiced a unanimous opinion objecting to a ceiling on the live weight of hogs. Their contention was that a ceiling on the live weight would curtail pork production and also work to the disadvantage of the small packer.

I am a breeder of purebred hogs and personally interested in this vital problem.

Respectfully yours,

M. H. HOLTE,  
President, North Dakota Swine  
Breeders' Association.

Mr. LANGER. I also ask unanimous consent to have printed in the RECORD a letter received by Mr. M. J. Stramer, of Hazelton, N. Dak., secretary of the North Dakota Shorthorn Breeders' Association.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

HAZELTON, N. DAK., March 13, 1943.  
Senator WILLIAM LANGER,  
Washington, D. C.

Dear Senator LANGER: The 50 members of the North Dakota Shorthorn Breeders' Association attending the winter show at Valley City, N. Dak., wish to go on record as not favoring a ceiling price on beef and other meat animals based on live weight.

In this State such a program would be a limiting factor in meat production. It would work a hardship on the small packers serving this area and would have a tendency to encourage marketing poorly conditioned animals, and step up activity of the black market in the meat industry.

Very truly yours,  
M. J. STRAMER,  
Secretary, North Dakota Shorthorn  
Breeders' Association.

Mr. LANGER. I also ask unanimous consent to have printed in the RECORD a letter signed by Mr. Ralph K. Welch, of Fargo, N. Dak., secretary and treasurer of the North Dakota Livestock Association. The letter is dated March 13, and is along the same line.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

NORTH DAKOTA LIVESTOCK ASSOCIATION,  
Fargo, N. Dak., March 13, 1943.  
Senator WILLIAM LANGER,  
Washington, D. C.

DEAR SENATOR LANGER: The North Dakota Live Stock Breeders Association, a State-wide group having 236 members from all sections of the State, met at Valley City, March 11 and 12 and discussed the proposed price ceiling on live animals. It is realized that an honest effort is being made to keep prices from rising too high, while at the same time, livestock men, to a man, realize that the real incentive to production is price. With the prospect of feed, inception of price ceilings, apparently will cut down finished stock and greatly diminish the numbers needed, as it is no incentive to finish feeding. It is felt that the large packing groups will profit especially due to their ability to operate more efficiently, and that the whole program would hit the group of small packers very much.

It was agreed that the Live Stock Breeders Association should contact you and acquaint you with our attitude regarding this price-ceiling matter and urge your support of a program that would really serve as an incentive to producers, and not impose this ceiling on live animals.

We have the stock out here now, the quality is much improved and if the ratio between feed prices and finished stock continues as it is at present, you can look for an outstanding livestock production from North Dakota, if too many regulations are not imposed.

Very truly yours,  
RALPH K. WELCH,  
Secretary.

Mr. LANGER. Mr. President, also, in connection with the troubles of the farmers in the Red River Valley of North Dakota, as well as the troubles of the farmers all over the United States, I ask unanimous consent to have printed at this point, as a part of my remarks, a resolution adopted by the State of North Dakota Farm Security Administration Advisory Committee, signed by nine representatives of farmers of the State of North Dakota. Mr. E. J. Haslerud, one

of the signers is executive officer of the North Dakota Agricultural College.

There being no objection, the resolutions were ordered to be printed in the RECORD, as follows:

JAMESTOWN, N. DAK., February 11, 1943.

1. We recognize the Farm Security Administration program of assistance, financial and advisory, to low-income, disadvantaged farm families as one of the greatest contributions to sound democracy that has ever been promoted through Federal agencies, and now one of the greatest potential forces for increasing food production for wartime needs.

2. We recommend that the Farm Security Administration be stabilized through providing it with a permanent revolving fund which will enable the agency to make long-time planning of its operations, thus greatly increasing the efficiency of its work and permanent value of its services.

3. We recognize that within the low-income group of farmers is the greatest potential increase of food production and that the Farm Security Administration is in an enviable position to make the greatest contribution to the national all-out food production through its assistance to this low-income group. The Farm Security Administration has facilities established in each county to survey and care for individual needs of underemployed farm families and help them adjust themselves and their farm units to utilize more fully the labor capacity of the family with additional livestock, poultry, feed, or facilities which may only be provided with borrowed funds. Therefore we urge the immediate provision of ample funds to permit the agency to continue and increase the valuable work now being done in food production.

4. Farm Security Administration has recognized the great value to farmers of their participation in farmer-owned cooperative associations and cooperative activities. We are convinced that the encouragement given by Farm Security Administration to low-income farmers to participate in such cooperative endeavors has contributed the greatest value to stabilizing their income in ratio to the money expended. We recommend that Farm Security Administration services in assisting these farmers to actively participate in cooperative activity be expanded.

5. We further recommend that all Farm Security Administration employees become more interested in showing, by example as well as precept, their confidence in this phase of the Farm Security Administration.

6. We recognize the value of farm organizations in sponsoring and organizing co-ops and promoting general agricultural welfare. We therefore recommend that all Farm Security Administration clients be encouraged to participate in active farm organizations.

7. We recommend that the tenant-purchase program be greatly enlarged and more vigorously promoted for the definite purpose of making a pattern of a near ideal family farm unit that may be woven into the reconstruction and readjustment period that must follow in the wake of this devastating world-wide war. We recommend that the policies of the Farm Security Administration should and must be greatly encouraged so that it may better provide a pattern now for American agriculture during the post-war period, as one of the greatest safeguards in preventing a repetition of the terrible conditions that followed World War No. 1.

8. We recommend the great strides that have been made in the elimination of red tape in administration of various Farm Security Administration activities and recommend continuing studies to that end.

9. The Farm Security basic philosophy of helping underprivileged people to share in

the fruits of democracy and contribute to the general welfare is a sample of applied Christianity and as such is entitled to the fullest assistance of schools, and all church groups. We urge that Farm Security personnel more ardently promote an understanding of its fundamental aims among all educators and religious leaders.

Walter Blume, James G. McGregor, E. J. Haslerud, Harry Kolpin, Anton Novak, Frank Heimes, Nelson H. Elvick, John W. Bollinger, Obed A. Wyum, *State Farm Security Administration Advisory Committee.*

Mr. LANGER. Mr. President, I also ask unanimous consent to have printed in the RECORD a letter signed by Mr. F. A. Young, executive secretary of the Wells County Welfare Board of Fessenden, N. Dak., in which he tells about the F. S. A. program for the State of North Dakota.

There being no objection the letter was ordered to be printed in the RECORD, as follows:

WELLS COUNTY WELFARE BOARD,  
Fessenden, N. Dak., February 23, 1943.  
Hon. WILLIAM LANGER,  
United States Senator,  
Washington, D. C.

DEAR SENATOR LANGER: I notice that there is some question about the Farm Security Administration program for North Dakota. I just want to add my information to some which you may have received. The Farm Security Administration has and is now doing a fine piece of work. The program should be continued in North Dakota because we have many farmers here who are in need of help to set up the proper units to make them self-supporting so they can weather economic and weather storms which are sure to hit us in the future the same as in the past. During the past year in Wells County a great many new loans have been made which have given new hope and activity to these people. The Farm Security Administration plan is such that the borrower can see his way out and work his way out. It is built upon a firm, sane business basis and the supervision to these people is well worth double the expenditures to keep the program.

Many young men are becoming not only farmers for themselves but are working into landowners and good farmers because they are given a lift and these are the kind who make good citizens. We need them on our farms in North Dakota and if you can do anything to help keep the program it would be my honest opinion it would be the most worth-while work you do in representing the State of North Dakota.

Yours very truly,

F. A. YOUNG,  
Executive Secretary.

Mr. LANGER. I also present a telegram from the Honorable John Brandt, president of the Land O' Lakes Creameries, Inc., of Minneapolis, Minn., which is short, and which I read at this point. It is as follows:

Imposition of price ceilings on live animals as proposed by Office of Price Administration not only grossly unfair to producers but will have serious effect on production of both meat and dairy products. We earnestly request your support in opposition to imposition price ceilings on live animals.

ADDRESS BY SENATOR WALSH AT BANQUET OF FRIENDLY SONS OF ST. PATRICK

[Mr. O'MAHONEY asked and obtained leave to have printed in the RECORD the address delivered by Senator WALSH at the ban-

quet of the Friendly Sons of St. Patrick in Washington, D. C., on March 17, 1943, which appears in the Appendix.]

A FREE AUSTRIA—ADDRESS BY SENATOR LANGER

[Mr. LANGER asked and obtained leave to have printed in the RECORD an address on a Free Austria, delivered by him at the Diplomat Hotel in New York City, on March 10, 1943, which appears in the Appendix.]

WHY WE MUST BOMB JAPAN—ARTICLE BY SENATOR THOMAS OF UTAH

[Mr. THOMAS of Utah asked and obtained leave to have printed in the RECORD an article entitled "Why We Must Bomb Japan," written by him and published in the American magazine of April 1942, which appears in the Appendix.]

WHAT KIND OF PEOPLE ARE WE?—ARTICLE BY SENATOR THOMAS OF UTAH

[Mr. THOMAS of Utah asked and obtained leave to have printed in the RECORD an article entitled "What Kind of People Are We?" written by him, and published in True Story magazine for May 1942, which appears in the Appendix.]

GOVERNMENT IN PEACE AND WAR—ARTICLE BY MILTON W. HARRISON

[Mr. BYRD asked and obtained leave to have printed in the RECORD an article entitled "Government in Peace and War," written by Milton W. Harrison and published in the Savings Bank Journal, which appears in the Appendix.]

PEACE AFTER THE WAR—ADDRESS BY L. W. HARDY

[Mr. PEPPER asked and obtained leave to have printed in the RECORD an address on the subject Peace After the War, delivered by Hon. L. W. Hardy, to the members of Optimist Club, at Bradenton, Fla., which appears in the Appendix.]

THE FOOD PROBLEM—EDITORIAL BY FRANK GANNETT

[Mr. SMITH asked and obtained leave to have printed in the RECORD an editorial entitled "Our Food Problem," by Frank Gannett, reprinted from the Rochester (N. Y.) Times Union of March 11, 1943, which appears in the Appendix.]

ABSENTEEISM IN WAR INDUSTRY

[Mr. WAGNER asked and obtained leave to have printed in the RECORD an article published in the Washington Daily News of March 15, 1943, and an article by Edward Robinson, published in the Washington (D. C.) Star of March 14, 1943, dealing with absenteeism, which appear in the Appendix.]

OUR PART IN MAINTAINING PEACE—EDITORIAL FROM THE KANSAS CITY TIMES

[Mr. HATCH asked and obtained leave to have printed in the RECORD an editorial entitled "Our Part in Maintaining Peace," published in the Kansas City Times of March 15, 1943, which appears in the Appendix.]

TIME TO ACT—EDITORIAL FROM THE CHRISTIAN SCIENCE MONITOR

[Mr. HATCH asked and obtained leave to have printed in the RECORD an editorial entitled "Time To Act," published in the Christian Science Monitor of March 17, 1943, which appears in the Appendix.]

ORGANIZATION OF UNITED NATIONS—NEWSPAPER COMMENT

[Mr. HILL asked and obtained leave to have printed in the RECORD an article by Raymond Clapper entitled "New Senate Attitude," from



the Washington News of March 15, and an editorial entitled "Moving Forward," from the Washington Post of March 15, relating to the organization of the United Nations, which appear in the Appendix.]

#### ORGANIZATION OF UNITED NATIONS— NEWSPAPER COMMENT

[Mr. BALL asked and obtained leave to have printed in the RECORD an article by Mark Sullivan entitled "Post-War Planning," published in the Washington (D. C.) Post of March 17, and an editorial entitled "Applying the Touchstone," published in the Philadelphia (Pa.) Bulletin of March 16, 1943, which appear in the Appendix.]

#### ORGANIZATION OF UNITED NATIONS— NEWSPAPER COMMENT

[Mr. BURTON asked and obtained leave to have printed in the RECORD an editorial entitled "Sound Foreign Policy," published in the Cleveland Plain Dealer of March 15, 1943, and an article by Maj. George Fielding Elliot, published in the Washington Star of March 15, 1943, dealing with the Senate resolution pertaining to organization of United Nations, which appear in the Appendix.]

#### SALES OF WHEAT FOR FEED

Mr. SMITH. Mr. President, from the Committee on Agriculture and Forestry, I ask consent to report back favorably without amendment the joint resolution (H. J. Res. 83) providing for additional sales of wheat for feed, and I move that the Senate proceed to the consideration of the joint resolution.

Mr. McNARY. Mr. President, if the Senator will permit, let the joint resolution be read by the clerk in the usual manner.

The ACTING PRESIDENT pro tempore. The clerk will read.

The Chief Clerk read the joint resolution, as follows:

*Resolved, etc., That the limitation contained in the Department of Agriculture Appropriation Act, fiscal year 1943, on the quantity of wheat which Commodity Credit Corporation can sell for feed is hereby increased from 125,000,000 to 225,000,000 bushels: Provided, however, That no such wheat shall be sold at a price less than the parity price of corn at the time such sale is made: Provided further, That in making regional adjustments in the sale price of wheat, the minimum price shall not be higher in any area than the United States average parity price of corn.*

The ACTING PRESIDENT pro tempore. The question is on agreeing to the request to submit the report and also the motion of the Senator from South Carolina.

There being no objection the request and motion were agreed to; and the Senate proceeded to consider the joint resolution (H. J. Res. 83) to permit additional sales of wheat for feed.

Mr. SMITH. Mr. President, this is an intensely emergent measure. There is not a carload of corn now going to the terminal markets. It is not necessary for me to give the reasons for that condition; they are very many and very cogent.

The supply of wheat for feed is about exhausted, therefore the feed necessary for dairy animals, hogs, and chickens will not be supplied if some such measure as that now before the Senate shall not

be passed. We were told in the committee that within 10 days the amount necessary to supply the necessary feed will be exhausted unless some action is taken.

If we can have the pending measure enacted, it will enable the Commodity Credit Corporation to release some of the 40,000,000 bushels of wheat held for the production of industrial alcohol and for other purposes, but, if not, the whole machinery for supplying feed will stop.

Mr. McNARY. Mr. President, I join with the distinguished chairman of the Committee on Agriculture and Forestry in the hope that the joint resolution will be acted upon immediately and favorably. I wish to make the comment, however, that about a year ago this body passed a simple bill making available for feed for animals and poultry 125,000,000 bushels of wheat. At that time the measure we were considering contained a provision that the wheat should be sold at 85 percent of the corn parity price. The joint resolution now pending, as it passed the House and as it comes to the Senate omits the 85-percent provision and makes the wheat salable at the corn parity price. That provision was made in order to avoid any conflict of opinion or interest which might reside with the corn growers and the wheat producers. To that extent the pending measure is dissimilar from the one which passed the Senate some time ago.

In view of the immediate needs of the producers of dairy products and poultry I hope that the Senate may take favorable action today on the joint resolution.

Mr. LANGER. Mr. President, will the distinguished Senator from South Carolina tell us the parity price of corn?

Mr. SMITH. That matter was discussed in the committee, and there seemed to be about a dozen opinions. I think the parity price of corn is \$1.03.

The ACTING PRESIDENT pro tempore. The joint resolution is before the Senate and open to amendment. If there is no amendment to be offered, the question is on the third reading of the joint resolution.

The joint resolution (H. J. Res. 83) was ordered to a third reading, read the third time, and passed.

#### ADMIRAL STANDLEY'S MOSCOW STATEMENT—ARTICLE BY FELIX MORLEY

Mr. LA FOLLETTE. Mr. President, on March 14, there appeared in the editorial section of the Washington Sunday Star a very interesting article by Felix Morley entitled "Standley's Comment Clarifies Russia's Relations With Allies." The article begins:

Whether or not a calculated indiscretion, the outspoken observations made by Admiral Standley in Moscow have served one desirable end.

I ask that the article in full may be incorporated in the RECORD as a part of my remarks.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

#### STANDLEY'S COMMENT CLARIFIES RUSSIA'S RELATIONS WITH ALLIES—PRESENT ASSOCIATION HELD TO BE ONLY TEMPORARY COALITION RATHER THAN FULL PARTNERSHIP IN UNITED NATIONS

(By Felix Morley)

Whether or not a calculated indiscretion, the outspoken observations made by Admiral Standley in Moscow have served one desirable end. They have brought home to most of us the hard fact that a temporary coalition is not welded into a permanent combination of United Nations merely by repetition of that pleasant phrase.

In simple fact the United Nations are a heterogeneous group of governments which are at war, or have severed relations with, one or more of the Axis Powers. Many of these governments are in exile and may or may not have post-war standing with their people. The coalition has no central organization, no unified command, and no common policy beyond mutual antagonism to the aggression from which its members suffer.

There is a hope, but it is at present no more than a hope, that these governments may work out some plan of permanent collaboration, thus creating the nucleus of an eventual, and, this time, effective international organization. That hope, however, is retarded rather than advanced by assumptions that it will automatically become a reality. As the Under Secretary of State indicated in his recent Toronto speech, the difficult spadework in this direction is still to be accomplished.

Until the United Nations become united in something more than dependence on lend-lease, it will continue to be dangerously misleading to talk as though an enduring program has already been achieved. Picturesque displays of entwined flags, which could in a few minutes be arranged in wholly different but equally colorful combinations, are very far from providing a basis of unity worthy of the name.

#### STALIN'S VIEWPOINT

That unswerving realist, Premier Stalin of Russia, has from the outset demonstrated that he regards his country as a member of a temporary coalition rather than as an integral part of the United Nations' line-up.

Soviet opportunism was emphasized when Russia, having defeated and dismembered Finland, associated herself in a temporary marriage of convenience with Nazi Germany. It has been further evinced by Russia's careful relationships with Japan, continued after Hitler's notorious intuition led him to break with the Communist dictatorship. And all of Stalin's recent speeches have further emphasized that he regards Russia not as one of the United Nations, as we use the phrase, but as a power provisionally associated with Great Britain and the United States alone for the single purpose of destroying the Nazi regime in Germany.

So shrewd is Stalin's diplomacy that he has been able to establish a logically untenable position. Russia is never publicly urged to open a second front against Japan, even though that would seem the most effective way to bring aid to China and to prevent the Japanese from consolidating the huge empire they have conquered. But Stalin's refusal to let Russia gamble on a second front does not restrain him from openly criticizing Great Britain and the United States for failing to attempt prematurely what Russia could undertake with far less risk of possible disaster.

Admiral Standley, who after all only complained that the Russian Government does not advertise the extent of American aid to that country, must be a little surprised by the tempest which his remarks have aroused. What would have been the reaction if he had

emulated Stalin's frankness by asserting that the second-front argument is applicable for Russia also?

#### EFFECT IS DISTURBING

The remarks of the American Ambassador to Russia were certainly far less blunt and forthright than many which Premier Stalin has made himself. Yet their effect is more disturbing. The explanation of this paradox is found in the theory that it is desirable for us to regard Russia as one of the United Nations even though Russia herself continuously makes clear that she disclaims that definition.

It is now nearly 6 months since Stalin, in a statement prepared for the Associated Press correspondent in Moscow, demanded "that the Allies fulfill their obligations fully and on time." With the Germans then in partial occupation of Stalingrad a certain curtness of expression was wholly natural. But the language used in this statement was that of an associated power, thinking in terms of ad hoc agreement and not of permanent unity.

A month later, in his speech of November 6, the Russian Premier announced that: "It is not our aim to destroy all military force in Germany." He further asserted that such compulsory disarmament, in the event of Nazi defeat, would not only be impossible but also inadvisable from the point of view of the victor.

Whether or not that argument is reasonable is at the moment an academic question. The point is that it runs counter to one of the tenets of the Atlantic Charter and to one of the principles on which the majority of the United Nations are agreed. For Great Britain and the United States, at any rate, the compulsory disarmament of Germany is announced as a basic war aim.

At Casablanca, where Prime Minister Churchill and President Roosevelt decided on the policy of "unconditional surrender," there was, by Stalin's decision, no Russian representation. And more recently, in his order of the day for February 22, the Russian Premier twice took occasion to say that the Red army objective is to drive the German invaders "from the borders of our country."

This was immediately after President Roosevelt, in his address on Lincoln's Birthday, had envisaged "the day when United Nations forces march in triumph through the streets of Berlin, Rome, and Tokyo." It was as though Stalin had said: "Include us out."

In all this there is no necessary inconsistency, provided that Russia is regarded as an associated power, as was the United States in the last war, and not as a full-fledged and deeply committed member of the United Nations grouping. It is to avoid the possibility of eventual disillusionment that the distinction should be kept in mind. And the risk of this is now openly voiced, in somewhat exaggerated and sensational terms, by no less an authority than Vice President WALLACE, who, in his speech of March 8, said:

"Unless the western democracies and Russia come to a satisfactory understanding before the war ends, I very much fear that World War No. 3 will be inevitable. Without a close and trusting understanding between Russia and the United States there is grave probability of Russia and Germany sooner or later making common cause."

The first step in that essential understanding would seem to be realization that the Russian post-war political outlook is very different from that which Great Britain and the United States may be said to have in common.

The Anglo-Saxon democracies, as indicated by our fondness for the phrase "United Nations" are thinking in terms of interstate organization, of a revived and revised League of Nations, perhaps with teeth, but based

essentially on the fragmented national structure established in Europe by the Treaty of Versailles.

Russia's approach to the problem of world order is wholly different. It looks much more toward the establishment of governments with a kindred philosophy than toward any mechanical linkage of governments with diverse social and political backgrounds. Trotsky's oversimplified concept of world revolution is out, but not so his central idea of unification through a common outlook rather than through common processes.

All of which should remind us, in good time, that a mere parroting of the phrase "United Nations" gets us nowhere. There are forces abroad in the world today which transcend national lines. They must be understood before they can be controlled. That they are not yet well understood by Americans is something which Stalin has done his best to tell us.

#### RELATIONS BETWEEN CONGRESS AND THE PRESIDENT

Mr. MALONEY. Mr. President, on Monday, March 15, the leading editorial in the New York Times was entitled "Congress and the President." I should like to read the first sentence of the editorial. It is as follows:

Not in many years have the relations between Congress and a President been as strained as they are today.

Mr. President, because I believe that to be true, and because I think the editorial is most interesting, I ask that it be printed in the body of the RECORD. I further request that thereafter there be printed in the body of the RECORD an editorial appearing in the Hartford Courant of March 17, 1943, carrying the same title "Congress and the President." The Hartford Courant editorial, which is inspired, as a reading of it will disclose, by the New York Times editorial, refers to Senate Concurrent Resolution No. 1, which I first submitted last October, and which I resubmitted at the opening of the present session of Congress. I ask unanimous consent that immediately following the editorials there be printed a copy of Senate Concurrent Resolution No. 1.

There being no objection, the editorials and concurrent resolution were ordered to be printed in the RECORD, as follows:

#### CONGRESS AND THE PRESIDENT

##### I

Not in many years have the relations between Congress and a President been as strained as they are today. The rejection of the Flynn appointment, the numerous investigations and denunciations in Congress of administrative agencies, the rebuke which the House has just given to the President in passing the Disney bill are symptoms of this strain. It would be very harmful to the country's domestic economy and dangerous to the war effort itself, if relations between the President and Congress should deteriorate further.

A healthy relationship between the executive and legislative branches of the Government can be maintained only if each respects fully the rights of the other, keeps within its proper field, and recognizes clearly its own functions and responsibilities. There have been traditionally in America two theories of the proper relationship of Congress and the President. One theory holds that Congress should act independently.

But the logical outcome of complete independence on the part of Congress would be a stalemate. If Congress refused to give the President legislation he really needed, the result would be governmental paralysis. The second traditional theory holds that Congress should cooperate with the President. But this theory can no more be pushed to an extreme than the first. For the logical result of complete cooperation would be complete subservience.

Under the American system the problem of the relationship of the legislature and the Executive is peculiarly difficult. The problem does not exist to anything like the same degree under the system of responsible Cabinet government in Great Britain, Australia, or Canada. For there legislature and executive are fused. It is impossible for them to be for any considerable time at loggerheads. The executive is, in the first place, the creature of the legislature. He represents its own choice. If, in spite of this, the legislature and Prime Minister fall out, the disagreement is resolved in one of two ways: Either the Prime Minister resigns and the legislature chooses his successor, or the Prime Minister dissolves the legislature and forces it to seek reelection. The difference of opinion between Parliament and the Prime Minister can in this manner be immediately put up to the people, as the ultimate authority, to decide.

No such way of resolving a disagreement between the Legislature and the Executive exists under the American system of separation of powers. Nor does our Constitution itself give explicit practical guidance to Congress or the President concerning the best division of powers between them, or the way in which they can resolve such differences of opinion as may arise. Congress, being elected directly by the people, can properly claim to represent the people. But, though the President is still nominally chosen by an electoral college, he is in fact chosen by direct popular vote, and can claim to represent the people no less directly than Congress does. The dilemma that arises when Congress and the President disagree on an important issue is like the dilemma that arises when a State sends two Senators to Congress and each takes a different position on an issue. What clear way is there of deciding which of the two Senators really speaks for the people of his State?

##### II

The questions that the Constitution does not answer regarding the relationship of Congress and the President must be answered by common sense. The relationship will be determined by acts both of initiative and of self-restraint and self-denial on the part of both President and Congress. Traditions concerning what these relationships ought to be have in fact grown up, and have come to be regarded almost as inherent in the Constitution itself. But some of these traditions are in fact neither required by the Constitution nor sound in themselves.

Congress has traditionally resented, for example, detailed recommendations of the President or the executive departments regarding legislation. It has always been considered by Congress something of an outrage for the executive department actually to frame a bill itself and openly declare it to be an administration bill. Congress has at times been known to resent even vague intimations on the part of the Executive concerning what it ought to do.

All this resentment finds no justification whatever in the Constitution. The Constitution declares that the President "shall from time to time give to the Congress information of the state of the Union, and recommend to their consideration such measures as he shall judge necessary and expedient." There



is nothing here declaring that the President shall recommend measures only in the vaguest way. It would be perfectly within the letter and spirit of this clause for the President to recommend to Congress a bill that had been framed in its entirety, and was acknowledged to have been framed in its entirety, by the executive department.

By resenting and discouraging such action, Congress has not only failed to receive from the President the kind of open guidance that it should get, but it has actually encouraged the President and the executive departments to evade what ought to be their plain responsibilities. The Treasury Department, for example, ought not only to have been allowed but to have been morally compelled by Congress to make the most explicit recommendations concerning both the pay-as-you-go plan and the withholding tax. If the Treasury recommends, as it does, piling \$16,000,000,000 of additional taxation this year onto the drastic taxation that the country is already paying, then the Treasury should be not only allowed but morally compelled by Congress to put itself on record by declaring precisely what new taxes and precisely what rates it wants. The Treasury is here called simply as one example. When the President declared last week that complete responsibility for post-war prosperity and security rested upon the legislative branch alone, he was taking a position not only unsound in itself but inconsistent with his own past leadership on economic and social measures. Congress has both the duty and the right to ask the executive departments to make their recommendations in full detail and to take complete open responsibility for them.

### III

While Congress may invite the fullest Executive recommendations concerning its course of action, it is under no obligation to follow those recommendations. But whenever it departs from them it must depart from them intelligently and responsibly. This means that if Congress hopes to be able to meet the unparalleled duties and responsibilities imposed on it by the present crisis, it must be organized enormously better than it is. It must take measures, for one thing, to insure that it is better informed. It should equip itself with its own expert advisers, and a fuller research staff than it has at present. It should reduce the number and greatly reduce the existing prerogatives of the nearly 100 standing and special committees that it has at present. If Congress hopes to adopt any coherent and unified policy of its own, then the recommendations of its standing committees must all be channeled through some single over-all committee.

The members of this committee and, in fact, the chairmen of all committees should be chosen for their ability, not by seniority. They should be chosen in such a way that they represent the sentiment of the Congress majority, and not merely of a small group in Congress. The central over-all committee of Congress should have control of the legislative timetable and the order in which bills are presented. Under such an internal reorganization of Congress it is extremely unlikely that so much time would have been consumed as is being consumed, to take an immediate illustration, on the preliminary stages of a pay-as-you-go plan and a withholding tax; and there would be less doubt than actually exists concerning the correspondence of the views of the committee with the views of the full Congress.

In brief, if Congress hopes to be effective either for cooperating with the President or for enacting a coherent legislative program of its own, it cannot continue its present disintegrated organization. It cannot be a leaderless body of 531 men each trying to

put his own private ideas into effect, each trying to draw attention to himself by his own little vaudeville turn. It cannot be ruled by a hundred different committee chairmen, no one of whom has been chosen, to represent Congress as a whole.

Congress must submit to discipline and to unified leadership. Only in that way can it hope to have a coherent policy and a definite direction.

[From the Hartford Courant of March 17, 1943]

### CONGRESS AND THE PRESIDENT

Discussing the present strained relationship between the President and Congress, the New York Times suggests that an improvement might be brought about in these two ways: The President might be more frank and specific in making his recommendations for legislation, and Congress might be better organized to deal intelligently and responsibly with these recommendations.

Congress now has close to a hundred standing and special committees, the heads of which are chosen on a basis of seniority and not for their ability. These committees are jealous of their own prerogatives, and frequently they do not represent the prevailing congressional sentiment. To meet better the unparalleled duties and responsibilities imposed on it by the present crisis, the New York newspaper proposes that Congress should create a central over-all committee to confer with the President from time to time and to keep Congress better informed of what the situation requires of it.

These suggestions seem to accord somewhat closely, so far as Congress is concerned, with the provisions of a concurrent resolution introduced at the beginning of the present session by Senator MALONEY, of Connecticut. His proposal is to set up a joint committee on war problems, to be composed of six Senators and an equal number of Representatives, evenly divided between the two parties. The duties of this committee would be to make a special study of the problems arising out of the war, to confer with the President and with the various departments and agencies of the Government with respect to such problems, to consult with other committees of both branches of Congress, and to report its recommendations as to legislation deemed advisable. In some instances this committee would make its reports in open session and in others behind closed doors, depending on the military character of the information gathered and imparted.

It is not Senator MALONEY's idea that this special committee of 12 should undertake to run the war or to engage in any actual war strategy. It would not perform any such functions as the committee that was set up by Congress in 1861 to investigate the conduct of the Civil War. That committee was not helpful either to President Lincoln or to Congress. Rather does Senator MALONEY's proposal envisage a liaison committee between the executive and the legislative branches of the Government, so that each by taking the other into its confidence could the better get on with the war. The whole idea was expressed by the Senator in speaking for his resolution before the Subcommittee on Military Affairs when he said:

"This is a war in which we are all engaged and there are no political party lines. There should be no dividing factions or groups—and I do not think there are—but the only way that the Congress as a whole can be heard, the only way the country as a whole can be heard, and the only way the people whom we represent can sit at the council table in connection with this war, is by some such bipartisan committee as would be set up under this resolution. \* \* \* It seems to

me most unfortunate that in the most terrible war of all our history the Congress of the United States is not informed, and I hasten to add that I realize, as everyone should, that the President cannot tell every Member of Congress what is going on. \* \* \* Unless some such proposal as this is adopted, I am fearful that we will cheat ourselves of the chance to serve to the best of our capacity, talents, and ability those whom we represent."

The Maloney suggestion has created a great deal of favorable comment, and since the New York Times is so much interested in bringing about a better relationship between the President and Congress we commend the resolution to its kindly consideration.

[78th Cong., 1st sess.; S. Con. Res. 1; in the Senate of the United States, January 7, 1943; Mr. MALONEY submitted the following concurrent resolution; which was referred to the Committee on Military Affairs]

### Senate Concurrent Resolution 1

*Resolved by the Senate (the House of Representatives concurring).* That there is hereby created a joint congressional committee to be known as the Joint Committee on War Problems (hereinafter referred to as the "joint committee"), and to be composed of six Members of the Senate to be selected by the Senate and six Members of the House of Representatives to be selected by the House of Representatives. Not more than three of the members of the joint committee selected by the Senate, and not more than three of the members of the joint committee selected by the House of Representatives, shall be from the same political party. The joint committee shall select a chairman from among its members. A vacancy in the membership of the joint committee shall not affect the power of the remaining members to execute the functions of the joint committee, and shall be filled in the same manner as the original selection.

SEC. 2. It shall be the duty of the joint committee to make a special study and investigation of the problems arising out of the war under existing and future acts of Congress; to confer with the President, and with the various departments and agencies of the Government, from time to time, with respect to such problems; to consult with other committees of both branches of the Congress, and to report to the Congress from time to time, together with such recommendations with respect to legislation as it deems advisable.

SEC. 3. For the purposes of this concurrent resolution, the joint committee, or any duly authorized subcommittee thereof, is authorized to hold such hearings, to sit and act at such times and places during the sessions, recesses, and adjourned periods of the Seventy-eighth and succeeding Congresses, to employ such clerical and other assistants, to require by subpoena or otherwise the attendance of such witnesses and the production of such correspondence, books, papers, and documents, to administer such oaths, to take such testimony, and to make such expenditures, as it deems advisable. The cost of stenographic services to report such hearings shall not be in excess of 25 cents per hundred words. The expenses of the joint committee, which shall not exceed \$ , shall be paid one-half from the contingent fund of the Senate and one-half from the contingent fund of the House of Representatives upon vouchers approved by the chairman of the joint committee.

### SHORTAGE OF FARM MACHINERY

Mr. BYRD. Mr. President, I ask unanimous consent to have inserted in the

body of the RECORD as a part of my remarks a letter written by me under date of March 8, 1943, to Hon. Claude R. Wickard, Secretary of Agriculture, with respect to the shortage of farm machinery.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

MARCH 8, 1943.

The Honorable CLAUDE R. WICKARD,

*The Secretary of Agriculture.*

MY DEAR MR. SECRETARY: I have just been furnished a statement of the farm machinery allotted to the State of Virginia for the year 1943. I am so shocked to see the inadequacy of this equipment that I am writing to call it to your personal attention, and I am sending a copy of this letter to Mr. Donald M. Nelson, War Manpower Commissioner McNutt, and Office of Price Administrator Brown, all of whom are concerned in the production of sufficient food to provide for our needs at home, the proper maintenance of our armed forces and our allies.

There is no question about the great danger of an impending food shortage. A farmer myself, and representing a great farming State, I am in touch with conditions, and it is very evident that the production of food in the year 1943 will be substantially less than last year. The main reason for this, of course, is the shortage of labor, which has been taken from the farms, principally due to war industries paying much higher wages, and also by the draft. Farm workers do not seem to have been given the same classification of being essential as has been done in war industries. In many instances, to my own knowledge, different agencies of the Government have solicited farm labor to leave the farms and go into war industries at much higher wages.

With the shortage of labor, it becomes more important to have adequate supplies of farm machinery so that the labor available can be utilized to the fullest possible extent.

In Virginia, there are 148,165 farms, yet the entire State of Virginia has been allotted only 385 tractors; 386 disk harrows; 141 spring-tooth harrows. A great potato-producing State, Virginia has been allotted only 35 potato planters. A great corn State, it has been allotted only 258 1-horse single-row corn planters. Other equipment, for example, is 30 hay loaders, 12 hay-press combines, 545 horse mowers, 299 2-horse walking moldboard plows, and only 568 1-horse cultivators, 2 corn pickers, and 4 grain threshers.

Virginia is often the second apple-producing State in the Nation, yet many large apple counties in Virginia have not been allotted more than one or two sprayers and some counties none.

There are some counties in Virginia in which the total allotment of farm machinery is not more than sufficient to equip one good-sized farm. In Pittsylvania County, where there are 4,992 farms, for example, only 1 tractor disc plow has been given to the entire county, 1 hay loader, 2 spring-tooth harrows, and 1 manure spreader, 7 disk harrows, and 1 lime spreader.

I think it is imperatively important that you and others review immediately this allocation of farm machinery, as the time has come when those in authority in our Government can no longer trifle with the production of food. There must be some intelligent and effective planning, otherwise the food supplies in America will be reduced to a point below our own needs and the obligations we have undertaken for our allies.

In Virginia as well as elsewhere the farmers desire to do everything possible to cooperate in the fullest measure, at personal sacrifice to themselves, to do their part in producing the food necessary to win the war, but

they must have the labor and equipment to do it.

I am sending this personal communication to you, with copies to the other officials mentioned, in the very earnest hope that in view of the critical situation now confronting the farmers it will receive your immediate attention to avert the catastrophe of a food shortage, which will necessarily retard the winning of the war.

Cordially yours,

HARRY F. BYRD.

#### PROFITS FROM CONSTRUCTION AND OPERATION OF SHIPS—TAX EXEMPTION

Mr. AIKEN. Mr. President, a few days ago the Senate considered and acted upon legislation pertaining to certain recommendations of the Maritime Commission.

I explained at that time that I had not had an opportunity properly to study the bill, and when the junior Senator from Maryland [Mr. RADCLIFFE] informed the Senate that profits of certain steamship companies, including recapture accruals—funds properly belonging to the Government—could be deposited in the construction fund created by section 511 of the Merchant Marine Act of 1936, as amended, under the terms of Senate bill 163, then pending before the Senate, and be tax free, I became sufficiently disturbed to oppose passage of the bill.

Since then I have received an unsolicited letter from the Chairman of the Maritime Commission, dated March 4, 1943, explaining the purpose of the construction fund authorized by section 511 of the Merchant Marine Act as amended by S. 163. I ask permission to insert the Chairman's letter at this point in my remarks.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

UNITED STATES MARITIME COMMISSION,  
Washington, March 4, 1943.  
Hon. GEORGE D. AIKEN,  
United States Senate.

MY DEAR SENATOR AIKEN: I have read with interest the statements which you made on the floor of the Senate on Wednesday, March 3, 1943, with reference to the pending bill (S. 163) amending section 511 of the Merchant Marine Act, 1936, which section relates to the establishment of ship construction reserve funds.

It is to be gathered from your remarks that you are under the impression that the proposed bill, as well as the section of the Merchant Marine Act which it amends, confers tax-exemption benefits upon the operators receiving operating-differential subsidies, not only with respect to gains arising from the sale or other disposition of their vessels but also with respect to operating earnings. The fact is, however, that section 511 of the Merchant Marine Act, 1936, as amended, is not applicable to the subsidized operators since their gains and their operating earnings are governed by the provisions of title VI of the Merchant Marine Act, 1936, as amended.

Section 511 relates solely to capital gains and other earnings of the nonsubsidized operators. In order to promote new construction, section 511 provides that capital gains are subject to tax deferral in the manner explained by Senator RADCLIFFE on the floor of the Senate. The operating earnings of the nonsubsidized operators do not obtain any tax exemption whatsoever except that, when deposited in the construction reserve

fund, they obtain immunity from those provisions of the internal-revenue laws which penalize corporations for unreasonably accumulating surpluses rather than distributing them to their stockholders. On this latter point, I refer you to the following statement from the report of the Committee on Commerce on the amendments to section 511:

"Earnings from the operation of vessels placed in a construction reserve fund and the earnings derived from such fund are subject to tax like any other income of the taxpayer, but failure to distribute such earnings will not constitute an accumulation of such earnings within the meaning of section 102 of the Internal Revenue Code for any year as of the close of which the conditions then applicable have been complied with. The same relief from the provisions of section 102 is accorded to unrecognized gain."

The amendments to section 511 contained in S. 163 relate primarily to matters of detail with respect to which the Commission, with the concurrence of the Treasury Department, believe should be cured by way of legislation. The general structure of section 511, as originally enacted in 1940, is undisturbed.

I am enclosing herewith a copy of the report of the House Committee on the Merchant Marine and Fisheries submitted in the fall of 1940, which I believe will be of assistance to you in your consideration of this matter.

Sincerely yours,

E. S. LAND, Chairman.

Mr. AIKEN. Mr. President, it undoubtedly is apparent to every Member of the Senate that following the winning of this war our shipping problem will be comparable to that which prevailed at the close of World War No. 1. At that time it will be recalled that we transferred to private concerns at but a pittance of their cost hundreds of vessels which had cost the Government billions of dollars.

At this time I wish to mention proposed legislation reported last year, but on which action was not concluded by the Seventy-seventh Congress. I understand its proponents, including the spokesmen for the Maritime Commission, expect to have us consider this legislation again within a very short time. Report No. 2735, dated December 14, 1942, by the House Merchant Marine and Fisheries Committee on this proposed legislation, H. R. 7105, is well worthy of the attention of the Senate, especially as we will soon be called upon, I hope, to close up the leaks in the present tax system whereby the receivers of huge annual incomes escape their proper share of the tax burden.

I ask to have inserted at this point in my remarks language from pages 1 and 2 of this report of the House Merchant Marine and Fisheries Committee, which would authorize certain profits, amounting to many millions of dollars, to be exempt from taxation.

There being no objection, the matter referred to was ordered to be printed in the RECORD, as follows:

That section 607 (h) of title VI of the Merchant Marine Act, 1936, as amended, is amended to read as follows:

"(h) (1) Exemption from taxation of deposits in reserve funds: All or any part of the net income (including gains from the sale, exchange, or involuntary conversion of vessels) of any contractor, receiving an operat-



ing-differential subsidy under authority of this title, which is deposited in the contractor's reserve funds as provided in this section shall, except as hereafter provided, be exempt from all Federal income and excess-profits taxes.

"(2) Taxation of withdrawals from reserve funds: Amounts withdrawn from the contractor's reserve funds, to the extent that such amounts are deemed to be out of net income (including gains from the sale, exchange, or involuntary conversion of vessels), shall, except when withdrawn (A) for the purchase, construction, or reconstruction of vessels to be employed by the contractor on an essential foreign-trade line, route, or service approved by the Commission, (B) for the purpose of paying off indebtedness secured by mortgage on a subsidized vessel or vessels, or (C) from the special reserve fund and transferred to the capital reserve fund as permitted by subsection (g) of this section, be taxed as if earned during the taxable year in which the withdrawal occurs.

"(3) Taxation of reserve funds upon termination of subsidy contract: Upon the termination of the operating-differential subsidy contract, all amounts which are in the reserve funds at the time of such termination, to the extent that such amounts are deemed to be net income (including gains from the sale, exchange, or involuntary conversion of vessels), shall be taxed as if earned during the taxable year in which such termination occurs, except that there shall not be taxed (A) amounts to be recaptured by the Commission as provided by section 606, and (B) amounts which are obligated to the Commission as the minimum cash payments required to be made pursuant to an existing contract entered into by the contractor and the Commission under the provisions of title V."

Mr. AIKEN. Mr. President, this proposed legislation, in substance, if enacted into law, would enable the owners of these millions of dollars, secured through excessively high profits, much of which was paid from the Treasury of the United States, to accomplish two purposes, both of which are detrimental to the welfare of our country and its people.

First, it would deprive the Government of millions of dollars of moneys which are now recapturable and which should be deposited in the Treasury, under laws now on our statute books; second, it would establish additional tax-free privileges for a few subsidized and unsubsidized ship operators and shipbuilders whereby these privileged few may altogether escape the payment of taxes on hundreds of millions of dollars.

The Maritime Commission, as was its predecessor in the last World War, has been entrusted with the expenditure of billions of dollars.

Government spending to promote United States shipping, I regret to say, undoubtedly comprises some of the most unsavory pages in our history of Government expenditures. Many of the present Members of the Senate are conversant with the nauseating revelations brought forth by the Black senatorial committee a few years ago. I fear that the conditions which exist at this time are even worse than those which prevailed at the time when the Senate created the Black committee.

It will be noted in the letter which I received from the Chairman of the Maritime Commission that he states:

The amendments to section 511 contained in S. 163 relate primarily to matters of

detail with respect to which the Commission, with the concurrence of the Treasury Department, believe should be cured by legislation.

The Chairman of the Maritime Commission, in this letter, stresses the point that section 511 as it now stands, and, as he desires it to be after the amendment, pertains exclusively to, and confers rights upon unsubsidized American ship operators, where no such rights existed prior to the original enactment of section 511, late in 1940.

The Chairman of the Maritime Commission is clearly implying that the Secretary of the Treasury, in possession of all the facts, is lending his high office in connection with other Government agencies to aiding the shipping industry to secure additional tax exemptions. It seems incredible to me, that the Treasury Department, seeking to impose new tax burdens amounting to some 20 percent of the wages and salaries of industrial workers and increased taxes upon the already overburdened American farmers, has agreed that it favors legislation whereby shockingly high excess profits and equally high excessive net profits on the investments of this one industry shall be exempt from taxation.

In passing, I should like to have the Senate bear in mind that in the original enactment of section 511, as I understand, Congress conferred upon unsubsidized ship operators a right not theretofore enjoyed by them, namely, the right to deposit funds in construction reserve funds against new vessel acquisition. It is my considered opinion that this privilege, which has existed only since late 1940, is nothing more than another form of subsidy extended to a new class of beneficiaries.

In the letter which I received from the Chairman of the Maritime Commission and which I have inserted in the RECORD as a part of my remarks the following will be noted:

The operating earnings of the nonsubsidized operators do not obtain any tax exemption whatsoever except that, when deposited in the construction reserve fund, they obtain immunity from those provisions of the internal-revenue laws which penalize corporations for unreasonably accumulating surpluses rather than distributing them to their stockholders.

It is common knowledge that these provisions were inserted in our internal-revenue laws in order to prevent receivers of excessively large profits from dodging taxation through the accumulation of funds in holding companies. To my mind, the legislation which the Maritime Commission has recommended and which the Chairman of the Maritime Commission states that the Treasury Department has agreed to, would in substance, further nullify the intent of our tax laws for a privileged few.

My attention has been called to House bill 134, on which hearings are now being held before the House Merchant Marine and Fisheries Committee. This bill is apparently the same proposed legislation as was contained in H. R. 7105 last year and reported out by the House Committee in its report numbered 2735, dated

December 14, 1942, certain quotations of which I have had inserted as a part of my remarks. I note from that report that the Chairman of the Maritime Commission recommended the passage of H. R. 7105 in a letter of June 9, 1942. It is fair, therefore, to assume that H. R. 134 has also been endorsed by him. The first section of H. R. 134 provides as follows:

All or any part of net income including gains from the sale, exchange, or involuntary conversion of vessels of a subsidized operator when deposited in the reserve funds shall be exempt from all Federal income and excess-profits tax.

Again I ask, is it possible that the Treasury Department has agreed that this legislation should be enacted and possibly hundreds of millions of dollars thereby escape taxation, while every workingman is being taxed and taxed almost beyond the limit of endurance?

In speaking on this floor when Senate bill 163 was under consideration I inserted as a part of my remarks two tables—page 1464—showing the profits, recapture accruals, balances in the reserve funds, and so forth, of the subsidized operators. I now wish to supplement these reports with detailed statements of 12 individual subsidized ship operators, which statements have been furnished, at my request, by the Comptroller General. Some of these statements are especially worthy of note as they show the enormous war profits which were made in 1940 and 1941, all of which are tax free, except a comparatively small percentage paid out in dividends.

Take the American Export Lines, which in 1938 had capital invested of some \$2,500,000. The net profits of this company for 1938 to 1941, inclusive, were approximately \$23,500,000, of which some \$5,000,000 represents profits which the Government would recover if the bureaucrats in the Maritime Commission would only enforce the law enacted by Congress. The net profits of this one company for 1941 alone were approximately \$13,500,000, more than five times the amount of the capital invested. Despite these tremendous profits which, if paid out in dividends would be subject to taxation, we find from the report of the Comptroller General that this company has paid out in dividends only \$2,000,000 or less than 10 percent during the period 1938 to 1941, inclusive, and the balance has been placed in the reserve funds and thus escapes taxation.

Mr. BAILEY. Mr. President, will the Senator yield?

The ACTING PRESIDENT pro tempore. Does the Senator from Vermont yield to the Senator from North Carolina?

Mr. AIKEN. I will yield for a question, but not for a speech.

Mr. BAILEY. I do not wish to make a speech.

Mr. AIKEN. Mr. President, I do not care to yield unless it is very urgent. When I shall have completed my remarks I may have answered the question for which the Senator from North Carolina desires me to yield.

The ACTING PRESIDENT pro tempore. Does the Senator from Vermont decline to yield?

Mr. AIKEN. For the time being I decline to yield. Later, if there are questions which I have not answered, they may then be considered.

Mr. BAILEY. Mr. President, let me say to the distinguished Senator that it is not for a question that I have asked him to yield. What I wish to say relates to a statement of fact made by the Senator, which I believe to be wholly inaccurate. I am not charging the Senator with intentional inaccuracy. I should like to correct a statement which he has made. If he is unwilling to be corrected now, I shall wait and correct the statement at the proper time.

Mr. AIKEN. Mr. President, I presume the able chairman of the Committee on Commerce will want to correct other statements at the conclusion of my address, or whenever he sees fit. I wish it to be understood, however, that the figures I am using were furnished me by the office of the Comptroller General, and I believe them to be accurate. If the Comptroller General's office has not

been accurate, then the information should be corrected.

The American President Lines, with no capital investment and actually insolvent at the time the Maritime Commission, in utter indifference to the law enacted by Congress, took it over for reasons which are well worthy of study, experienced a net loss of \$135,000 for the period October 1938 to December 1939, and made net profits of approximately \$5,000,000 in 1940 and some \$8,700,000 in 1941.

The Comptroller General reports that the Seas Shipping Co. had \$100,815 capital necessarily employed in 1938, which in 1941 had increased to \$2,895,434. The net profit of the company for the period 1938-41, inclusive, is reported as \$9,078,788, while \$10,416,615 was placed in the tax-free reserve funds during the same period and only \$125,000 of taxable dividends were paid out during the same period.

Mr. BAILEY. Mr. President, may I request the Senator from Vermont to explain to the Senate what the reserve funds are for?

Mr. AIKEN. The Senator from Vermont will not enter into a general argu-

ment with the chairman of the Committee on Commerce. I am inserting in the Record the statements and tables received from the office of the Comptroller General, so that if Members of the Senate will read them they will know just what has been going on, and the extent to which tremendous profits are being made by some of the subsidized companies.

The Comptroller General also reports that the Lykes Shipping Co., in 1938, had a capital necessarily employed of \$3,874,388, which in 1941 had increased to \$15,577,548. The net profit of this company for the period 1938 to 1941, inclusive, is reported as \$15,112,581. During the same period, 1938 to 1941, inclusive, there was deposited in the tax-free reserve funds \$30,458,921. Of this amount some \$11,000,000 consisted of profits from unsubsidized operations which were deposited in these tax-free reserve funds after securing the consent of the Commission.

Mr. President, I ask permission to insert these tables in the Record at this point in my remarks.

There being no objection, the tables were ordered to be printed in the Record, as follows:

SCHEDULE 5-A.—American Export Lines, Inc., period of operating subsidy contract, Jan. 24, 1938, to Dec. 31, 1939

	1938	1939	1940	1941	Total
Capital necessarily employed (in subsidized operations).....	\$2,473,225.24	\$3,279,718.06	\$3,281,850.54	\$7,091,165.81	\$16,125,959.65
Total net profits from subsidy operations.....	522,415.37	1,436,432.90	7,792,639.18	13,667,860.99	23,419,348.44
Less additional charter hire accrued to the Commission.....	0	0	0	0	0
Total net profits after deduction.....	522,415.37	1,436,432.90	7,792,639.18	13,667,860.99	23,419,348.44
Less net profits accrued to Commission as recapture of excess profits.....	137,546.43	554,230.55	3,420,050.64	972,928.51	5,084,756.13
Net profit to contractor.....	384,868.94	882,202.35	4,372,588.54	12,694,932.48	18,334,592.31
Dividends paid to stockholders.....	232,000.00	462,000.00	498,687.50	770,000.00	1,962,687.50
Amount of deposits in capital reserve and special reserve funds:					
Net operating profits from subsidy operations.....	251,206.19	1,135,690.53	6,855,827.33	12,712,830.47	20,955,554.52
Profits from other operations, proceeds from sale or other disposition of vessels, depreciation accruals.....	428,982.00	521,232.96	2,384,392.47	2,175,754.41	5,510,361.84
Other.....	0	0	12,328.72	44,876.76	57,205.48
Less mortgage payments and down payments on vessels.....	680,188.19	1,656,923.49	9,252,548.52	14,933,461.64	26,523,121.84
	0	0	3,825,905.71	8,695,259.04	12,521,164.75
Balance on deposit Dec. 31, 1941.....	680,188.19	1,656,923.49	5,426,642.81	6,238,202.60	14,001,957.09

SCHEDULE 5-B.—American Mail Line, Ltd., period of operating subsidy contract, Apr. 1, 1940, to Apr. 1, 1943

	1940	1941	Total
Capital necessarily employed (in subsidized operations).....	\$1,300,043.36	\$2,115,262.57	\$3,415,305.93
Total profit from subsidy operations.....	620,744.58	3,061,036.36	3,681,780.94
Less additional charter hire accrued to the Commission.....	245,370.12	1,424,755.05	1,670,125.17
Total net profit after deduction.....	375,374.46	1,636,281.31	2,011,655.77
Less net profit accrued to Commission as recapture of excess profits.....	0	0	0
Net profit to contractor.....	375,374.46	1,636,281.31	2,011,655.77
Dividends paid to stockholders.....	0	103,337.00	103,337.00
Amount of deposits in capital reserve and special reserve fund:			
Net operating profits from subsidy operations.....	246,652.25	1,530,521.55	1,777,173.80
Profits from other operations, proceeds from sale or other disposition of vessels, depreciation accruals.....	0	0	0
Other.....	0	0	0
Less mortgage and down payments on vessels.....	246,652.25	1,530,521.55	1,777,173.80
	0	0	0
Balance on deposit, Dec. 31, 1941.....	246,652.25	1,530,521.55	1,777,173.80

SCHEDULE 5-C.—American President Lines, Inc., period of operating subsidy contract, Sept. 25, 1938, to Sept. 25, 1949

	Oct. 1, 1938, to Dec. 31, 1939	1940	1941	Total
Capital necessarily employed (in subsidized operations).....	0	0	\$2,295,163.71	\$2,295,163.71
Total net profits from subsidy operations.....	\$135,558.23	\$4,907,686.81	8,721,088.24	13,493,216.82
Less additional charter hire accrued to the Commission.....	0	0	0	0
Total net profits after deduction.....	\$135,558.23	\$4,907,686.81	8,721,088.24	13,493,216.82

\* Denotes red figures.



## SCHEDULE 5-C.—American President Lines, Inc., period of operating subsidy contract, Sept. 25, 1938, to Sept. 25, 1949—Continued

	Oct. 1, 1938, to Dec. 31, 1939	1940	1941	Total
Less net profits accrued to Commission as recapture of excess profits.....	<sup>1</sup> \$67,779.12	\$2,453,843.41	\$4,245,785.93	\$6,631,850.22
Net profit to contractor.....	<sup>1</sup> 67,779.11	2,453,843.40	4,475,302.31	6,861,366.00
Dividends paid to stockholders.....	0	0	0	0
Amount of deposits in capital reserve and special reserve funds:				
Net operating profits from subsidy operations.....	0	4,166,190.83	8,673,454.97	12,839,645.80
Profits from other operations, proceeds from sale or other disposition of vessels, depreciation accruals.....	1,003,420.90	2,172,574.00	1,049,844.76	4,225,839.66
Other.....	0	0	0	0
Less mortgage payments and down payments on vessels.....	1,003,420.90	6,338,764.83	9,723,269.73	17,065,455.46
Balance on deposit Dec. 31, 1941.....	0	6,752,235.04	4,895,954.32	11,648,189.36
	1,003,420.90	<sup>1</sup> 413,470.21	4,827,345.41	5,417,296.10

<sup>1</sup> Denotes red figures.

## SCHEDULE 5-D.—(A) American South African Line, Inc., period of operating subsidy contract, Apr. 11, 1940, to Dec. 31, 1942

	1940	1941	Total
Capital necessarily employed (in subsidized operations).....	\$1,442,291.59	\$4,264,049.89	\$5,696,341.48
Total net profits from subsidy operations.....	1,016,560.25	3,685,210.86	4,701,771.11
Less additional charter hire accrued to the Commission.....	0	82,183.18	82,183.18
Total net profits after deduction.....	1,016,560.25	3,603,027.68	4,619,587.93
Less net profits accrued to Commission as recapture of excess profits.....	82,501.63	283,196.68	365,698.31
Net profit to contractor.....	934,058.62	3,319,831.00	4,253,889.62
Dividends paid to stockholders.....	100,488.00	334,860.00	435,318.00
Amount of deposits in capital reserve and special reserve funds:			
Net operating profits from subsidy operations.....	1,032,824.46	3,177,622.69	4,210,447.15
Profits from other operations, proceeds from sale or other disposition of vessels, depreciation accruals.....	2,260,973.37	794,540.13	3,055,513.50
Other.....	0	0	0
Less—Mortgage payments and down payments on vessels.....	3,293,797.83	3,972,162.82	7,265,960.65
Balance on deposit Dec. 31, 1941.....	1,610,912.23	706,511.54	2,317,423.77
	1,682,885.60	3,265,651.28	4,948,536.88

## SCHEDULE 5-E.—(A) Grace Line, Inc., period of operating subsidy contract, Jan. 1, 1938, to Dec. 31, 1947

	1938	1939	1940	1941	Total
Capital necessarily employed (in subsidized operations).....	\$7,306,357.13	\$9,317,979.74	\$13,179,007.82	\$15,954,434.93	\$45,757,779.62
Total net profits from subsidy operations.....	890,062.17	1,527,358.53	2,347,717.86	5,730,785.61	10,495,924.17
Less additional charter hire accrued to the Commission.....	0	8,055.89	139,890.35	92,807.57	240,753.81
Total net profits after deduction.....	890,062.17	1,519,302.64	2,207,827.51	5,637,978.04	10,255,170.36
Less net profits accrued to Commission as recapture of excess profits.....	79,713.23	293,752.34	444,963.36	2,021,267.27	2,839,696.20
Net profit to contractor.....	810,348.94	1,225,550.30	1,762,864.15	3,616,710.77	7,415,474.16
Dividends paid to stockholders.....	179,300.00	1,932,000.00	2,967,000.00	1,932,000.00	7,010,300.00
Amount of deposits in capital reserve and special reserve funds:					
Net operating profits from subsidy operations.....	890,294.92	569,062.56	891,104.17	5,660,595.70	8,011,057.35
Profits from other operations, proceeds from sale or other disposition of vessels, depreciation accruals.....	673,027.85	714,630.62	6,090,241.84	2,647,175.96	10,125,076.27
Other.....	0	0	0	0	0
Less mortgage payments and down payments on vessels.....	1,563,322.77	1,283,693.18	6,981,346.01	8,307,771.66	18,136,133.62
Balance on deposit Dec. 31, 1941.....	153,051.00	153,051.00	4,835,754.39	2,967,173.65	8,109,030.04
	1,410,271.77	1,130,642.18	2,145,591.62	5,340,598.01	10,027,103.58

## SCHEDULE 5-F.—Lykes Bros. Steamship Co., Inc., period of operating subsidy contract, Jan. 1, 1938, to Dec. 31, 1949

	1938	1939	1940	1941	Total
Capital necessarily employed (in subsidized operations).....	\$3,874,378.79	\$4,692,516.34	\$7,941,399.98	\$15,577,548.21	\$32,085,843.32
Total net profits from subsidy operations.....	318,306.95	1,183,670.62	4,832,607.42	8,777,996.36	15,112,581.35
Less additional charter hire accrued to the Commission.....	0	0	0	0	0
Total net profits after deductions.....	318,306.95	1,183,670.62	4,832,607.42	8,777,996.36	15,112,581.35
Less net profits accrued to Commission as recapture of excess profits.....	<sup>1</sup> 34,565.46	357,209.49	1,984,668.25	3,270,172.71	5,612,056.45
Total net profit to contractor.....	318,306.95	826,461.13	2,847,939.17	5,507,823.65	9,500,530.90
Dividends paid to stockholders.....	340,000.00	490,000.00	875,000.00	1,680,000.00	3,385,000.00
Amount of deposits in capital reserve and special reserve funds:					
Net operating profits from subsidy operations.....	2,542.64	643,689.22	3,990,051.00	8,058,499.14	12,694,782.00
Profits from other operations, proceeds from sale or other disposition of vessels, depreciation accruals.....	578,164.00	486,896.92	10,262,025.36	6,437,053.05	17,764,139.33
Other.....	0	0	0	0	0
Total.....	580,706.64	1,130,586.14	14,252,076.36	14,495,552.19	30,458,921.33
Less mortgage payments and down payments on vessels.....	0	0	8,665,029.55	9,555,731.33	18,220,760.88
Balance on deposit Dec. 31, 1941.....	580,706.64	1,130,586.14	5,587,046.81	4,939,820.86	12,238,160.45

<sup>1</sup> Denotes red figures.

## SCHEDULE 5-G.—Mississippi Shipping Co., period of operating subsidy contract, Jan. 1, 1938, to Dec. 31, 1949

	1938	1939	1940	1941	Total
Capital necessarily employed (in subsidized operations).....	\$2,161,526.28	\$2,769,343.83	\$3,277,531.38	\$4,454,239.55	\$12,662,641.04
Total net profits from subsidy operations.....	891,115.50	861,967.79	1,900,678.11	3,172,991.24	6,826,752.64
Less additional charter hire accrued to the Commission.....	0	0	0	0	0
Total net profits after deductions.....	891,115.50	861,967.79	1,900,678.11	3,172,991.24	6,826,752.64
Less net profits accrued to Commission as recapture of excess profits.....	326,007.98	303,990.15	626,315.80	445,625.48	1,701,939.41
Net profit to contractor.....	565,107.52	557,977.64	1,274,362.31	2,727,365.76	5,124,813.23
Dividends paid to stockholders.....	225,000.00	255,000.00	402,000.00	405,000.00	1,287,000.00
Amount of deposits in capital reserve and special reserve funds:					
Net operating profits from subsidy operations.....	676,733.80	585,033.41	1,572,147.55	3,174,718.73	6,008,633.49
Profits from other operations, proceeds from sale or other disposition of vessels, depreciation accruals.....	329,032.60	245,472.33	934,810.47	1,499,513.11	3,008,828.51
Other.....	0	0	0	0	0
Less mortgage payments and down payments on vessels.....	1,005,766.40	830,505.74	2,506,958.02	4,674,231.84	9,017,462.00
Balance on deposit Dec. 31, 1941.....	1,005,766.40	460,076.74	1,669,229.38	2,393,278.88	5,528,351.40

## SCHEDULE 5-H.—(A) Moore-McCormack Lines, Inc., period of operating subsidy contract, Oct. 31, 1938, to June 30, 1951

	1938	1939	1940	1941	Total
Capital necessarily employed (in subsidized operations).....	\$16,346.76	\$879,071.16	\$4,542,025.12	\$8,433,961.08	\$13,871,404.12
Total net profits from subsidy operations.....	<sup>1</sup> 74,077.65	1,277,635.98	7,014,782.58	16,753,071.26	24,971,412.17
Less additional charter hire accrued to the Commission.....	0	438,498.56	1,709,449.94	3,209,708.50	5,357,657.00
Total net profits after deduction.....	<sup>1</sup> 74,077.65	839,137.42	5,305,332.64	13,543,362.76	19,613,755.17
Less net profits accrued to Commission as recapture of excess profits.....	<sup>1</sup> 20,050.41	145,939.74	1,807,484.39	1,334,170.19	3,267,543.91
Net profit to contractor.....	<sup>1</sup> 54,027.24	693,197.68	3,497,848.25	12,209,192.57	16,346,211.26
Dividends paid to stockholders.....	0	0	534,375.00	770,000.00	1,304,375.00
Amount of deposits in capital reserve and special reserve funds:					
Net operating profits from subsidy operations.....	0	843,850.26	4,828,056.77	11,368,006.95	17,039,722.99
Profits from other operations, proceeds from sale or other disposition of vessels, depreciation accruals.....	375,954.98	619,905.15	5,266,371.66	5,554,197.84	9,816,429.59
Other.....	0	0	0	0	0
Less mortgage payments and down payments on vessels.....	375,954.98	1,463,764.44	10,064,428.41	14,922,204.75	26,856,352.58
Balance on deposit Dec. 31, 1941.....	375,954.98	483,764.44	4,685,095.45	2,387,653.40	7,932,468.27

<sup>1</sup> Denotes red figures.

## SCHEDULE 5-I.—(A) New York and Cuba Mail Steamship Co., period of operating subsidy contract, Jan. 1, 1938, to Dec. 31, 1949

	1938	1939	1940	1941	Total
Capital necessarily employed (in subsidized operations).....	\$1,000,484.68	\$1,790,481.86	\$1,982,989.47	\$3,821,358.36	\$9,264,314.37
Total net profits from subsidy operations.....	<sup>1</sup> 52,750.67	530,287.95	930,015.21	870,436.89	2,277,989.38
Less additional charter hire accrued to the Commission.....	0	0	15,296.83	0	15,296.83
Total net profit after deduction.....	<sup>1</sup> 52,750.67	530,287.95	914,718.38	870,436.89	2,262,692.55
Less net profit accrued to Commission as recapture of excess profits.....	<sup>1</sup> 109,949.57	175,619.88	358,209.71	244,150.52	668,130.54
Net profit to contractor.....	57,098.90	354,668.07	556,508.67	626,286.37	1,594,562.01
Dividends paid to stockholders.....	0	0	125,000.00	0	125,000.00
Amount of deposits in capital reserve and special reserve funds:					
Net operating profits from subsidy operations.....	0	186,495.61	509,055.30	490,388.73	1,185,939.64
Profits from other operations, proceeds from sale or other disposition of vessels, depreciation accruals.....	545,467.73	434,654.66	514,857.45	1,577,645.26	3,072,625.10
Other.....	0	0	0	0	0
Less mortgage payments and down payments on vessels.....	545,467.73	621,150.27	1,023,912.75	2,068,033.99	4,258,564.74
Balance on deposit Dec. 31, 1941.....	545,467.73	146,745.57	312,045.95	70,664.06	887,432.17

<sup>1</sup> Denotes red figures.

## SCHEDULE 5-J.—The Oceanic Steamship Co., period of operating subsidy contract, Jan. 1, 1938, to Dec. 31, 1942

	1938	1939	1940	1941	Total
Capital necessarily employed (in subsidized operations).....	\$6,853,956.98	\$7,919,196.10	\$8,171,288.34	\$8,875,584.30	\$31,820,025.72
Total net profits from subsidy operations.....	640,058.61	1,167,541.42	368,857.62	1,779,327.30	3,955,784.95
Less additional charter hire accrued to the Commission.....	0	0	0	0	0
Total net profits after deductions.....	640,058.61	1,167,541.42	368,857.62	1,779,327.30	3,955,784.95
Less net profits accrued to Commission as recapture of excess profits.....	<sup>1</sup> 22,668.54	187,810.91	<sup>1</sup> 224,135.60	445,884.43	380,891.20
Net profits to contractor.....	662,727.15	979,730.51	592,993.22	1,333,442.87	3,568,893.75
Dividends paid to stockholders.....	0	0	0	0	0
Amounts of deposits in capital reserve and special reserve funds:					
Net operating profits from subsidy operations.....	635,560.41	1,180,280.19	493,414.21	1,689,669.00	3,998,923.81
Profits from other operations, proceeds from sale or other disposition of vessels, depreciation accruals.....	789,069.97	813,856.73	813,742.67	2,225,484.30	4,642,153.67
Other.....	0	0	0	0	0
Total.....	1,424,630.38	1,994,136.92	1,307,156.88	3,915,153.30	8,641,077.48
Less mortgage payments and down payments on vessels.....	583,875.00	2,046,375.00	1,460,250.00	0	4,090,500.00
Balance on deposit Dec. 31, 1941.....	840,755.38	<sup>1</sup> 52,238.08	<sup>1</sup> 153,093.12	3,915,153.30	4,550,577.48

<sup>1</sup> Denotes red figures.



SCHEDULE 5-K.—*Seas Shipping Co., Inc., period of operating subsidy contract, Oct. 14, 1938, to Nov. 15, 1951*

	1938	1939	1940	1941	Total
Capital necessarily employed (in subsidized operations).....	\$100,815.92	\$1,083,041.84	\$931,423.72	\$2,895,434.32	\$5,010,715.80
Total net profits from subsidy operations.....	1 56,864.34	28,608.15	2,832,460.58	6,274,584.12	9,078,788.51
Less additional charter hire accrued to the Commission.....	0	0	0	0	0
Total net profits after deductions.....	1 56,864.34	28,608.15	2,832,460.58	6,274,584.12	9,078,788.51
Less net profits accrued to Commission as recapture of excess profits.....	1 33,472.96	1 39,848.01	658,683.81	522,575.12	1,107,937.96
Net profits to contractor.....	1 23,391.38	68,456.16	2,173,776.77	5,752,009.00	7,970,850.55
Dividends paid to stockholders.....	0	0	0	125,506.00	125,506.00
Amount of deposits in capital reserve and special reserve funds:					
Net operating profits from subsidy operations.....	0	0	2,739,318.21	5,917,519.22	8,656,837.43
Profits from other operations, proceeds from sale and other disposition of vessels, depreciation accruals.....	150,976.18	268,338.15	59,433.84	1,281,029.61	1,750,777.78
Other.....	0	0	0	0	0
Less mortgage payments and down payments on vessels.....	150,976.18	268,338.15	2,798,752.05	7,198,548.83	10,416,615.21
Balance on deposit Dec. 31, 1941.....	0	0	1,705,000.00	3,130,415.77	4,835,415.77
Balance on deposit Dec. 31, 1941.....	150,976.18	268,338.15	1,093,752.05	4,068,133.06	5,581,199.44

<sup>1</sup> Denotes red figuresSCHEDULE 5-L.—(A) *United States Lines Co., operating-differential subsidy agreement dated Dec. 31, 1937, period, Jan. 1, 1938, to Dec. 31, 1949*

	1938	1939	1940	1941	Total
Capital necessarily employed (in subsidized operations).....	\$8,247,584.04	\$11,188,823.73	\$7,867,999.09	\$5,279,294.29	\$32,583,701.15
Total net profits from subsidy operations.....	1,780,465.51	3,043,650.62	132,917.17	1 28,940.21	4,928,093.09
Less additional charter hire accrued to the Commission.....	0	0	0	0	0
Total net profit after deductions.....	1,780,465.51	3,043,650.62	132,917.17	1 28,940.21	4,928,093.09
Less net profits accrued to Commission as recapture of net profits.....	477,853.55	962,384.13	1 326,941.37	278,434.82	834,861.49
Net profit to contractor.....	1,302,611.96	2,081,266.49	459,858.54	249,494.61	4,093,231.60
Dividends paid to stockholders.....	194,935.30	389,870.60	397,691.35	930,232.63	1,912,729.88
Amount of deposits in capital reserve and special reserve funds:					
Net operating profits from subsidy operations.....	955,707.10	1,969,606.17	3,231.13	36,895.01	2,965,739.41
Profits from other operations, proceeds from sale and other disposition of vessels, depreciation accruals.....	3,647,577.48	1,463,802.97	4,437,284.47	223,201.85	9,771,866.77
Other.....	0	0	0	0	0
Less mortgage payments and down payments on vessels.....	4,603,284.58	3,433,709.14	4,440,515.60	260,096.86	12,737,606.18
Balance on deposit Dec. 31, 1941.....	3,541,380.66	328,673.44	937,279.55	1,808,288.90	6,615,602.45
Balance on deposit Dec. 31, 1941.....	1,061,904.02	3,105,035.70	3,503,236.05	1 1,548,172.04	6,122,003.73

<sup>1</sup> Denotes red figuresSCHEDULE 5-M.—*United States Lines Co. charter party agreement dated Sept. 27, 1939; period, Sept. 27, 1939, to Sept. 27, 1942*

	1939	1940	1941	Total
Capital necessarily employed (in subsidized operations).....	128,658.06	123,906.27	164,412.01	416,976.34
Total net profits from subsidy operations.....	220,311.13	42,356.95	984,415.79	1,247,083.87
Less additional charter hire accrued to the Commission.....	104,520.60	16,470.04	483,587.30	604,977.94
Total net profits after deductions.....	115,790.53	25,886.91	500,828.49	642,105.93
Less net profits accrued to Commission as recapture of excess profits.....	0	0	0	0
Net profit to contractor.....	115,790.53	25,886.91	500,828.49	642,105.93
Dividends paid to stockholders.....	0	0	0	0
Amount of deposits in capital reserve and special reserve funds:				
Net operating profits from subsidy operations.....	0	0	0	0
Profits from other operations, proceeds from sale or other disposition of vessels, depreciation accruals.....	0	0	0	0
Other.....	0	0	0	0
Less mortgage payments and down payments on vessels.....	0	0	0	0
Balance on deposit Dec. 31, 1941.....	0	0	0	0

SCHEDULE 5-N.—*United States Lines, Inc., charter party agreement dated Mar. 1, 1942; period, Mar. 1, 1940, to Mar. 1, 1942*

	Vessels			Total
	1940, chartered	1941		
		Chartered	Owued	
Capital necessarily employed (in subsidized operations).....	\$1, 471, 421. 13	\$2, 290, 596. 12	\$1, 172, 904. 55	\$4, 934, 921. 80
Total net profits from subsidy operations.....	803, 907. 87	4, 598, 304. 33	1, 089, 495. 52	6, 491, 707. 72
Less additional charter hire accrued to the Commission.....	346, 039. 94	2, 184, 622. 36	0	2, 530, 662. 30
Total net profits after deduction.....	457, 867. 93	2, 413, 681. 97	1, 089, 495. 52	3, 961, 045. 42
Less net profits accrued to Commission as recapture of excess profits.....	0	0	66, 888. 81	66, 888. 81
Net profit to contractor.....	457, 867. 93	2, 413, 681. 97	1, 022, 606. 71	3, 894, 156. 61
Dividends paid to stockholders.....	0	0	0	0

SCHEDULE 5-N.—United States Lines, Inc., charter party agreement dated Mar. 1, 1942; period, Mar. 1, 1940, to Mar. 1, 1942—Continued

	Vessels			Total
	1940, chartered	1941		
		Chartered	Owued	
Amount of deposits in capital reserve and special reserve funds:				
Net operating profits from subsidy operations.....	\$339,180.40	0	0	\$339,180.40
Profits from other operations, proceeds from sale or other disposition of vessels, depreciation accruals.....	0	0	\$173,873.83	173,873.83
Other.....	0	0	0	0
Less mortgage payments and down payments on vessels.....	339,180.40	0	173,873.83	513,054.23
	0	0	1,570,500.00	1,570,500.00
Balance on deposit Dec. 31, 1941.....	339,180.40	0	1,396,626.17	1,057,445.77

<sup>1</sup> Denotes red figures.

Mr. AIKEN. I also ask unanimous consent to have printed in the RECORD at this point a table which I have had compiled, showing the total capital employed by the 12 subsidized shipping concerns; the gain in capital employed between 1938 and 1941; the total amount of divi-

dends paid during those years; the amount of the earnings and profits deposited in the reserve funds, free of all Federal taxes; the mortgage and cash payments paid on vessels built or purchased, withdrawn from the tax-free reserve funds, which legislation

makes tax free; and the balance of earnings and profits in reserve funds free of all Federal taxes on January 1, 1942.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

Name of company	Capital employed <sup>1</sup>		Dividends paid 1938-41 (inclusive)	Earnings and profits deposited in reserve funds, free of all Federal taxes	Mortgage and cash payments paid on vessels built or purchased, withdrawn from tax-free reserve funds, which legislation makes tax free	Balance of earnings and profits in reserve funds free of all Federal taxes, Jan. 1, 1942
	1938	1941				
Moore-McCormack Lines	\$16,346	\$8,433,961	\$1,304,375	\$26,856,352	\$18,923,884	\$7,932,468
American Export Lines	2,473,225	13,667,860	1,962,687	26,523,121	12,521,164	14,001,957
Lykes Bros. Steamship Co.	3,874,378	8,777,996	3,385,000	*30,458,921	18,220,760	12,238,160
Grace Line, Inc.	7,306,857	15,954,434	7,010,300	*18,136,133	8,109,030	10,027,103
Mississippi Shipping Co.	2,161,526	4,454,239	1,287,000	9,017,462	3,489,110	5,528,351
Seas Shipping Co.	100,815	2,895,434	125,506	10,416,615	4,835,415	5,581,199
American South African Line	1,442,291	4,254,049	435,818	7,265,960	2,317,423	4,948,536
American Mail Line, Ltd.	1,300,043	2,115,262	103,337	1,777,173	0	1,777,173
American President Line <sup>1</sup>	0	2,295,163	0	17,065,485	11,648,189	5,417,296
United States Lines	8,247,584	5,279,294	1,912,729	12,737,606	6,615,602	6,122,003
Oceanic Steamship Co.	6,853,956	8,875,584	0	*8,641,077	1,570,500	4,550,577
New York & Cuba Mail Steamship Co.	1,669,484	3,821,358	125,000	4,208,564	3,371,132	887,432
Total	35,446,005	80,824,634	17,651,252	173,154,469	*95,712,714	79,012,255

<sup>1</sup> Financial data from statements of contractors, unaudited by Maritime Commission.<sup>2</sup> Does not include payments to and profits of contractors through proposed changes in sec. 902.<sup>3</sup> Represents, in part, earnings from unsubsidized operation, \$11,100,282, authorized by Commission.<sup>4</sup> Represents, in part, earnings from unsubsidized operations, authorized by Commission.<sup>5</sup> The Maritime Commission owns 90 percent of the stock.

Mr. AIKEN. Mr. President, it is well known that history repeats itself. There is every reason to believe that after we have won this war we shall find ourselves with hundreds, if not thousands, of vessels for which it will be difficult to find a use. Is it possible that even with this potential surplus of ships, Government funds will be used to build additional ships?

The answer is obvious. The maintenance of these alleged reserve funds at this time is solely for the purpose of having these moneys and excessively high earnings and excess profits escape taxation, which would be very high.

It is my understanding that due to an unwillingness of the Maritime Commission to follow the plain intent of the law, there is in dispute at this time—up to July 1 last—almost \$100,000,000 which the shipping operators contend they should have despite the law and the strong ruling of the Comptroller General to the contrary.

I am informed by the Comptroller General that many of the old vessels have been insured based on a valuation of \$100 per deadweight ton without regard to their depreciated value. In this

connection, I call attention to the fact that the majority of the old vessels now in service were built by the Government during World War No. 1. Some of them were sold many years ago to present owners at a value as low as \$5 per deadweight ton. By reference to page 13, parts 1, 2, and 3, consolidated, of Investigation of Air Mail and Ocean Mail Contracts (Senate committee, 74th Cong., 1st sess.) I find that Lykes Brothers Steamship Co. purchased 52 vessels in 1933 for the sum of \$5.04 per deadweight ton, and Waterman Steamship Corporation purchased 14 vessels in 1931 for \$9.22 per deadweight ton.

I understand that one of the ships purchased in 1922 was one of the five ships sold back to the Government not long ago for \$75 a ton. In the meantime, it is understood that both these companies operated with the aid of mail-contract subsidies. It will be noted from the tables I have inserted in the RECORD that Lykes Brothers Steamship Co. are one of the existing operating subsidy contractors under the 1936 act. No doubt many of the low-priced vessels which have been operated for many years with Government aid are now being sold back

to the Government via the insurance route for sums which are from 5 to 20 times their depreciated value.

On page 42 of committee report No. 898, Seventy-fourth Congress, first session, filed by the Committee Investigating Ocean and Air Mail Contracts, we find:

The history of merchant marine subsidy in the United States does not encourage this committee to believe that such a subsidy is likely to be honestly administered in the future. Reserving to itself the right to doubt that it is possible to secure honest administration of such an act, this committee points out a few essentials which must be contained in any subsidy program.

It is my information that through the insistence of the then Senator Black—now Associate Justice of the Supreme Court—the Senator from Missouri [Mr. CLARK], and others, supported by several House Members, the safeguards suggested in report No. 898 were incorporated into the Merchant Marine Act of 1936. Despite those safeguards, it is now apparent that the Merchant Marine Act of 1936 has not been and is not now being properly administered, and that the forewarnings of the so-called Black



Committee are rapidly proving well-founded.

I am informed by the Comptroller General that a number of officials of various steamship companies and of a large steel company have been or are now employed by the War Shipping Administration in rate-making and policy-making positions. Is it any wonder that the Maritime Commission and War Shipping Administration functions appear to be operating as much, if not more, for the benefit of private interests as they are in the interests of the public?

The provisions of section 902 of the Merchant Marine Act, as amended, have been ruled upon by the Comptroller General—notably in the case of the steamship *Roosevelt*. This section provides that American-owned vessels may be taken over during any national emergency, for purchase or hire, but in no case shall the value of the property taken over or used be deemed enhanced by the causes necessitating the taking or the use thereof. Despite the plain intent of the law and the rulings of the Comptroller General, the Maritime Commission—as will be found in the House hearings on the independent offices appropriation bill for 1944, and in hearings before the House Merchant Marine and Fisheries Committee—has been trying in every possible way to have this provision of our laws amended so that the Government will have to pay illegally high prices for vessels taken over during this national emergency, and to make retroactive the legalizing of earlier violations.

The Comptroller General has reported to me in writing, and to the Committee on Expenditures in the Executive Departments in person, that the Maritime Commission is definitely violating section 902 of the Merchant Marine Act.

Getting back to proposed legislation, House bill 134, as I read it, provides for the suspension of these operating-subsidy agreements, in addition to providing that all capital profits be made tax-exempt, as in the case of operating profits of the subsidized shipping operators. I understand that the enactment of this legislation would provide, for one thing, that the recapture accruals of approximately \$28,000,000 now due to the Government from operating-subsidy contracts would not be paid, but instead would be frozen in the so-called reserve funds. I am not a lawyer, but I believe that when a shipping operator's vessels have been taken over, and he has no way of carrying out the terms of his contract, the contract has terminated. To my mind, the Maritime Commission, instead of seeking to prevail upon the Congress to amend the law and to hand millions of the taxpayers' dollars to the shipping operators, should be effecting collections of money already due the Government in the form of accruals reported by the Comptroller General.

I call the attention of the Senate to a letter from the Chairman of the Maritime Commission to Representative JONES and printed on page 721 of the House hearings on the independent offices appropriation bill for 1944. This

letter refers to the insurance carried by the Maritime Commission on the steamship *Roosevelt*, which was a total loss. The vessel was built in 1931 under the provisions of the mail-contract subsidies, pursuant to the act of 1928. The subsidies were stated by the Maritime Commission to amount to some 33½ per cent of the construction costs. The letter to Representative JONES states that the book value of the steamship *Roosevelt* was \$3,600,000 at the time when she was lost. It appears that the Chairman of the Maritime Commission overlooked the indirect construction subsidy of some \$2,600,000 paid out of the Treasury in the form of mail-contract subsidies. This vessel could have been taken over under the provisions of section 902 at a total cost to the Maritime Commission of not over \$2,400,000. If the Government can pay the owners of this vessel the full \$7,000,000 in insurance, there will be a loss of almost \$5,000,000 in the one transaction. In the event the provisions of House bill 134 become law, not only will the Government suffer a loss of some \$5,000,000 in that one instance but the profits will escape the payment of any taxation as well.

Mr. President, if this policy of the Maritime Commission, so patently designed to relieve a single group from payment of taxes and of moneys legally and properly due the United States Government, were the only instance of its kind, I should not be so alarmed for the future of my country; but what I have stated applies to only a single factor of a single department of government. Probably it could be multiplied many times. Yet what do we do about it?

We have an agency of the Government, the General Accounting Office, responsible to the Congress, and whose duty it is to audit and to exercise control over expenditures of Government so as to protect not only the hard-earned tax money of our citizens but the integrity of Government itself. I believe we have an able and honest Comptroller General; yet, when he attempts to perform his duties honestly, he gets no support from the Congress, is met with actual hostility from executive departments, and receives little attention at all from the public.

The Honorable Lindsay Warren has indicted the Maritime Commission for not conducting its affairs in the interest of the public. Again and again he has reported to the Congress alleged law violations by the Commission, yet we do nothing about them. I understand that there is now in the office of the Comptroller General—and has been since early last fall—material relating to the transactions of the Maritime Commission with two shipping lines known as the American Mail and the Baltimore Mail. I have been told that a report on those two companies would reveal the existence of shocking collusion between them and the Maritime Commission.

I understand that terrific pressure has been put on the Comptroller General to suppress the submission of these reports to Congress. Not only that, but I under-

stand that pressure is being put upon him in every possible way to get him to retract his earlier reports to Congress charging the Maritime Commission with illegal transactions in the cases of the Tampa Shipbuilding Co., the Waterman Steamship Co., and the insurance payments on the steamship *Roosevelt*.

I believe that we have a Comptroller General who will neither be scared nor persuaded to waver from what he considers his line of duty. I do not know the reason why the reports on the American Mail and the Baltimore Mail steamship lines have not yet been submitted to the Congress, but I have confidence that they will be.

How disheartening it must be to an honest official of Government to report law violations to the Congress and have his reports utterly ignored. How revolting it must be to the citizens of our country to learn that such charges are submitted to a disinterested Congress.

Have we reached a point where we are no longer concerned with common honesty in government? Have we reached a point where we are satisfied to enact laws and then let agencies of the executive department treat the provisions of those laws with utter contempt?

There is a committee of this very body, the Committee on Expenditures in the Executive Departments, whose duty it should be to protect our citizens against the unwise and unlawful expenditure of funds by the executive departments. We do nothing, Mr. President. So far as I know, this committee never has been permitted to function, and for years its existence has been a farce. A few weeks ago there were indications that it might at last be permitted to perform its duties, one of which is to support the Comptroller General in his efforts to enforce an honest and efficient administration of our expenditures. It cannot do so without funds, and to date no funds have been forthcoming.

Mr. President, not only are officials of Government charged with the dishonest expenditure of public funds not being brought to trial for their alleged wrongdoings, but some of them are actually rewarded.

The Chairman of the Maritime Commission, against whom charges have been made by the Comptroller General's office, has just been renominated by the President for another term. If the charges of the Comptroller General are false and the man is wrongfully accused, then he should be given a fair investigation by an impartial committee and exonerated of those charges. But if he is guilty of mispending millions upon millions of dollars of taxpayers' money; if he has been in collusion with any steamship lines or any boat builders or anybody else, he should be removed from office—not rewarded.

I do not say the man is guilty of everything with which he has been charged by the Comptroller General's office, but I will say that his desperate attempts to avoid an investigation are not reassuring.

In concluding, Mr. President, let me say the bureaucratic indifference to law,

the high usurpation of the legislative functions, and the obvious mismanagement of governmental affairs in more than one department are such that the Congress must scrutinize most carefully all legislation emanating from such sources, and if it would perform its duties the Senate must investigate very carefully all executive appointments which require its concurrence.

Mr. BAILEY. Mr. President, I have an engagement which I must fill; so I shall take the briefest possible time to respond to the suggestions, insinuations, and accusations which have been made by the junior Senator from Vermont [Mr. Aiken].

I am going to agree with him as to Mr. Lindsay Warren, the Comptroller General. I think all of us know him. He is my personal friend; I have known him for 25 or 30 years. He is a very high-class man, honest, bold, straightforward, and capable; but he is no more honest, no more capable, no more bold than is Admiral Land. I have had them both in my office and discussed this matter with them.

The Comptroller General, Mr. Lindsay Warren, has great confidence in Admiral Land. He would not think of making a suggestion that Admiral Land would be capable of deliberate maladministration of his office or of favoring shipowners. As I have said, I heard both of them on this subject. There is a debate as to the legal implications of a phrase in the act. It is not a new phrase; I think it was brought over from 1926 and probably from the World War period of 1918, and has to do with the valuation of ships taken by our Government on account of the war emergency. The phrase declares that in appraising those ships, that is for the purpose of reimbursing the owners, no allowance shall be made for the value due to enhancement derived from the causes of the taking.

The difference between the two officers, or rather between the Maritime Commission—for the whole Commission has acted in this matter—and the Comptroller General is wholly responsible with respect to the meaning of that phrase.

The Comptroller General has stated to me repeatedly that he has the utmost confidence in the efficiency and the character and the good faith of Admiral Land. So any imputation here that the Comptroller General was undertaking to attack Admiral Land or the Maritime Commission is without foundation.

As to the matter of reserves, the distinguished Senator spoke of the reserve funds as utterly escaping taxation. I do not think the statement will stand the test of investigation. It is true that the funds do escape immediate taxation, and it is true that they escape immediate taxation by authority of the act of the Congress. That is not a new act, either; but it is true that that policy is approved, and has been constantly approved, by the Secretary of the Treasury. The act of 1938 was submitted to the Secretary of the Treasury, and he distinctly approved the policy to which the Senator refers.

If fell to me, as a member of the Finance Committee who is also a member of the Commerce Committee, to present the matter to the Finance Committee. Now what was it? The Government is engaged deliberately in the business of direct subsidies for the construction and operation of ships. The period of the old, indirect subsidy, the old mail subsidy, has utterly passed out. The present President of the United States wholly repudiated the indirect subsidy; he said the time had come for us to call a subsidy a subsidy, and pay money directly for the construction and also for the operation of ships. That is on the ground—I hope I do not have to explain it at this late day—that the merchant marine is just as important in the war as is the battleship. The battleship is more powerful, but the battleship would be useless without merchant ships. I think we all know that to be so.

The crux of the immediate situation, so far as the war is concerned, is maritime ships, merchant ships. We are short of them. We do not know how many we are going to need. We know they are indispensable. If there is one man in America to whom credit ought to be given and who ought to be honored—immeasurably honored—for bringing about in the shortest possible time the creation of shipyards and the building of ships and the floating of tonnage, he is Admiral Land. I would not say he is entitled to credit for what he has accomplished merely since Pearl Harbor, for Admiral Land started 2 years ahead and his is the only activity that was ahead. It is due to his foresight that we were ready to go; it is due to his great executive capacity, his patriotic devotion to his country and to his task that we built last year 8,000,000 dead-weight tons of ocean shipping. That is in addition to all the lesser shipping, and in addition to the naval ships. Our British friends, who know shipping, said that that alone was a miracle. Well, it was eight-eighths of the entire tonnage of Great Britain at the outbreak of the war.

Admiral Land not only did that but he organized the shipyards, and today we have operating in this country 60 shipyards from which we are commissioning—not launching but putting into actual service—not less than 16,000,000 dead-weight tons of shipping this year. That, too, is a miracle of construction. I honor myself by saying that Admiral Land is my friend. He has my confidence as fully as any human being I have ever known. He was in my office just a day or two ago, and when I mentioned that we could turn out this year 16,000,000 dead-weight tons of ocean shipping. He said:

We can turn out 20,000,000 tons. We have the works, we have the yards, we have the capital, we have the executives to furnish the materials which the United States Government desires to put into the armed services of this country in this most critical of years. I would turn over to them within the 12-month period 20,000,000 dead-weight tons of ocean shipping.

That is greater than the whole merchant fleet of Great Britain, which she

has been accumulating over the centuries. It is three times as great as what the Japanese had at the time of Pearl Harbor. It is nearly three times as great as the amount this country had in 1938. That is a miracle of construction.

We used to be told it would take 6 months to build an oceangoing ship. The organizations which Admiral Land has created are turning out a 10,000-ton ship in 42 days. Practically all the yards are now capable not only of launching ships, but of commissioning ships, putting them into service, within 60 days after the laying of the keel. That is the sort of work Admiral Land has done.

Mr. President, I did not rise to pay Admiral Land a tribute; I did not rise to pay my friend Lindsay Warren a tribute; I rose to meet the situation, to clear the mind of my friend the Senator from Vermont if I can.

I was saying that we are engaged in the policy of deliberate, unavowed, unapologized-for subsidy. I think it is better than the old indirect mail subsidy. We know exactly what we are doing.

When the shipping companies make profits, we do not tax them, because the intention of the Government is to subsidize, and what is the sense in taking with one hand and giving back with the other?

Mr. CLARK of Missouri. Mr. President, will the Senator yield?

Mr. BAILEY. If the Senator will permit me to finish this paragraph, I shall certainly yield.

The law provides that the profit may be put into a reserve, which will pay taxes unless it is reinvested in the construction of a ship; and the ship, if constructed, is an institution of the United States, on which we can lay our hands, which we can take on demand. It is not an absolute, independent parcel of individually owned property.

We provide that the profits may escape immediate taxation—and I put the emphasis on “immediate”—by reinvestment in the construction of a ship, for the use of the United States in time of necessity, and for use in time of peace to carry our commerce in competition with nations which build at a much cheaper cost.

Even when the money is invested in the reserve, and thereafter in the ship, the tax is recovered, because the amount of the investment is deducted from the capital investment. Let us say the capital investment is \$2,000,000; that that is the cost of the ship, and \$400,000 of the shipping profits are put into the ship. Then, when we come to tax, in the regular course, the operations and the profits, the basis of obsolescence and depreciation is not the cost, \$2,000,000, but the net cost, \$1,600,000, and by way of reduced obsolescence, and reduced depreciation allowance, the Government gets back over a term of years what it would not get back if it pursued the subsidy policy. In other words, if it taxed today and gave back tomorrow that would end it; but, following the procedure which I have described, we do not tax today, we lay aside the money, we encourage the building of ships, and over the period of years, by reducing the



obsolescence and the depreciation to the owner, we recover the tax.

Now I yield to my distinguishing friend.

Mr. CLARK of Missouri. I thank the Senator, but I believe I prefer to wait until the Senator concludes before taking the floor.

Mr. BAILEY. I believe I will make a public apology to the Senator. Both he and I have an engagement for lunch, and if I leave the Chamber to fulfill the engagement, I hope the Senator will not take offense. I should like to hear what he has to say.

Mr. CLARK of Missouri. I intend to take the floor only to read a couple of sections of the statute which I think bear on this matter.

Mr. BAILEY. Very well. As to the other matter, I do not think the Senator from Vermont appeared to reflect upon me at all, and I took no offense. He seemed to refer the matter to some other committee than the one over which I preside, namely, to the Committee on Expenditures in the Executive Departments. But I am chairman of the Committee on Commerce, and I have been advertent to all this controversy. A good many of the reports of the Comptroller General have been laid before me—I think over a period of 4 or 5 months—and I have investigated them all with the utmost care. I have not thought it worth while to rush into the newspapers and raise a sensation. Ever since I have been a Senator I have pursued the other policy. I have never thought I should come into the Senate and open up a mare's nest every morning. I have chosen to follow the other course. But I gave this matter very careful consideration. I gave no interviews. I made no statements.

I am perfectly satisfied that, as a matter of law the Maritime Commission, or Admiral Land, if anyone sees fit to put it on him, is correct in the announced interpretation of the enhancement clause. I would not say that unless I had given a great deal of thought to it. I did not jump to that conclusion. I am prepared to file briefs here to sustain my position.

I will take the time to say that the Comptroller General suspended certain credits on the ground that the emergency under which the ships were taken had occurred on September 1, 1939. Admiral Land took the view that the emergency occurred in May 1941. What is the difference? The President did declare a limited emergency in September 1939, but it was limited, and it is perfectly clear from the declaration itself, and from acts of the Congress, that that declaration of limited emergency did not relate to the shipping situation. On the other hand, it is equally clear that when the general emergency was declared in May 1941, the rule of enhancement did apply, and the Admiral and the Maritime Commission have applied it.

Mr. President, that is not where the dispute comes. I am willing to let that matter be settled by the courts. Of course, the money cannot be paid to the shipowners, since the Comptroller General has suspended the credits; and he has suspended them. Admiral Land

cannot pay the money, and is not trying to pay it. A shipowner can go to the Court of Claims, and I think he can go to the United States District Court, and try out that question, and, in my opinion, that is a very good way to have the question settled, for the opinion of the Comptroller General is not determinative; it is only prima facie and for the guidance of his office. He is a good lawyer, he is a straight shooter, he is a straight-thinking man. I would not reflect upon him in any way for my right arm. But after all, he is not a court, nor am I, nor is Admiral Land. Admiral Land had the advice of his counsel. I practiced law 25 years—though I claim nothing on that account—but I give it as my judgment, for just whatever it may be worth, that the rights and the obligations of the general emergency did not occur until the declaration of the general emergency in 1941. I think that will be the position the courts will take; but I am perfectly willing to say that I could be just as badly mistaken, I sometimes think, as the junior Senator from Vermont. I put myself right down on the level with him. I think that is true humility.

Mr. AIKEN. Apparently the Senator from North Carolina thinks it is a long way down.

Mr. BAILEY. No, I do not think so at all. I think it is a mere exercise of Senatorial humility.

Mr. President, I have now said about all I care to say, except one thing. The Senator from Vermont suggested that there was something like fraud or rascality and something like stealing in the matter of the ships. He said the ships in question were bought in 1933 or 1931 at \$5 a ton. One could buy a horse for \$5 back in those days. That situation presents no test. There was a very great enhancement in the value of ships after 1939. There was an enhancement in the value of ships in 1938, because people saw the war coming. In these latter days the enemy has been sinking many of our ships—I do not know at what rate. I recently read in the newspapers a statement to the effect that since the war began and to date over 600 ships have been sunk in the Atlantic. I do not know how much tonnage they would represent. I also read in the newspaper this morning that the Secretary of the Navy had made a statement to the effect that we had sunk 1,800,000 tons of Japanese shipping since the war broke out. When such a condition as that exists, Mr. President, there is no power on earth which can prevent ships rising in value. The law of supply and demand is in operation. Furthermore, there is a tremendously increased need for shipping quite perfectly illustrated by the necessities of our Government at the present time.

Admiral Land took the view that he could not pay an extra price for a ship merely because the Government was taking it. That is the law. That cannot be done. But he did not have to pay \$5 a ton for a man's ship because the owner bought the ship in 1931 at that rate. It

would have been an outrage to pay him such a price. I honor Admiral Land for not doing anything of that sort.

Mr. CLARK of Missouri. Mr. President, I had not intended to interrupt the Senator, but if he will yield to me—

Mr. BAILEY. I yield.

Mr. CLARK of Missouri. I should like to make a suggestion along the line on which he is proceeding, and call the attention of the Senate to section 802 of the Maritime Act, which is not the section that contains the enhancement clause, which is section 902. Section 802 applies to subsidized vessels. It requires that in the giving of the subsidy by the Government a provision shall be written into every contract with respect to a subsidized vessel requiring that when the Government needs the ship it shall be taken over, not as of the value on any particular day, September 1, 1939, or May 1, 1940, but at actual cost, less depreciation, and plus any defense features which may have been put on it.

Mr. BAILEY. I was aware of the statute. I was responding to the remarks made by the Senator from Vermont who spoke about enhancement of cost. With respect to ships taken under the section to which the Senator adverts, I will undertake to make a statement in light of the facts. I do not think there are any facts touching that before us at this time. I was going to say that Admiral Land and the Maritime Commission took the view that the taking itself, and the taking by the Government, should have nothing to do with the price paid or the enhancement in the price. I think what he undertook to do—and I commend him for it—was to look into the situation and make a proper allowance for the increased value of ships in the period when the United States was not taking, but make no allowance for the fact that the United States was taking. I think that was a fair construction of the law.

Mr. President, I believe there still remains in the Constitution the fifth amendment which says that a man's property cannot be taken without paying him just compensation. I sometimes think we forget that that amendment is in the Constitution, but when I say my prayers at night, if I am feeling very blue, I sometimes thank God for the fifth amendment, and remind myself that it is still in effect. When it goes, my fellow Senators, all is gone. We can take it away in a moment by action based on foolish thinking, and by appeals against profits, and by an attitude of envy of men who do well. I will have no part in it. I am in favor of just compensation because—well, because it is God's justice to begin with, and it is provided for in the Constitution, which I would support even if I were not sworn to support it.

So, Mr. President, I shall ask at the proper time that the Senate confirm the appointment of Admiral Land as a matter of justice to a great man, as a matter of justice to a man who has served his country since the war broke out, and prior thereto, in a way not surpassed

and not to be surpassed. I am going to ask that his nomination be confirmed on the ground that, so far as I know, he is as honest and straight and efficient a human being as I have ever seen.

Mr. President, I rose today because I did not think I should delay in such a matter. I do not think it would be fair to the Senate, it would not be right for me to leave any imputation outstanding against such a man as Admiral Land. If he were not my friend, and I knew what he had done for his country, I would say he is a friend of his country, and there is none to take his place, so far as I know. I voiced my confidence in him in the committee, and if there is any condemnation to be visited on anyone, visit it on me.

Mr. President, I have gone through these matters. I have gotten every detail to which my attention has been called. I have never thought it would be becoming of me to take the time of the Senate with matters which I myself could settle, but since they are brought forward, and if there is desire for debate, I shall come here one day with all the details, and I will fill the CONGRESSIONAL RECORD with facts, in absolute confidence that nine-tenths of the Senators, if not 100 percent, when they shall have looked into the whole matter, will agree with me that Admiral Land is above suspicion, and has won his right to the confidence of the American public and the United States Senate, not because he is an admiral in the Navy, but because in every aspect of his life and in everything he has done he has been honest and straightforward. He was with the Government before the present administration. He came here under President Hoover. In every aspect of his life his honesty has shone as clearly as the stars that shine above us night by night, and he has been just as true to his duty as the Pole Star is to the pole.

Mr. LANGER. Mr. President, will the Senator yield to me for a question?

Mr. BAILEY. Yes.

Mr. LANGER. I am from a Prairie State. I do not know much about the Maritime Commission. I wish to ask the distinguished Senator a question. When the War Department comes into Minnesota to condemn a piece of land is it not true that the value of the land is not enhanced by the fact that the War Department is going to have a large factory built on it? As I understand the explanation made by the distinguished Senator, some of the ships in question were sold by the United States Government to some of these companies at a very low price.

Mr. BAILEY. At a time when the price of ships was low.

Mr. LANGER. Yes. The companies obtained the ships for almost—

Mr. BAILEY. Let me explain that situation to the Senator. I know he needs the explanation.

Mr. LANGER. Will the Senator let me complete my question?

Mr. BAILEY. Very well.

Mr. LANGER. The Government sold the ships to the companies for almost nothing. I understand the Senator from North Carolina to say that in 1938 and 1939, when the shipping companies saw

war coming, they sold the ships back to the same United States Government from which they had bought them almost for nothing, at a profit of hundreds of thousands and millions of dollars. Is that a fair statement?

Mr. BAILEY. I would not state it in just that way, but I will state it frankly as I know it to be. We had an old laid-up fleet left over from the World War. We took it out of commission because we did not wish it to be competing with our modern fleets. We were building new ships, and we wished to provide better accommodations for the seamen, and we did. In that we did a great thing. The old ships were perfectly worthless, as we thought. We laid them up. It would not do to have them compete with the new ships. I think in 1937 and 1938, or probably in 1939, before we got into the war, due to the general ship shortage there were opportunities to sell those old ships, and the Government did sell them at low prices. Then the men who acquired the ships and operated them, gradually improved them, of course. This fleet had been laid up. It was an old barnacle fleet. When the Government bought back the ships I will agree that it paid the current market, and it paid for the expense of fixing the ships and placing them in good condition. The Senator will find a great disparity in the price, I have no doubt, but it represents the difference between a fleet which was worthless, which we got rid of at what we could obtain for it, and the same fleet which the purchasers had placed in better condition.

We did pay a better price for it. I would not say the price was extravagant; but I should be glad to have the Maritime Commission file a detailed statement as to every ship, with an explanation. If that were done we would find that in every case the ship was carefully appraised. The attack was on Admiral Land, but the appraisals were not Admiral Land's.

Have I satisfactorily answered the question in the mind of the Senator from North Dakota?

Mr. LANGER. In a way, yes.

Mr. BAILEY. Let me put it in another way. The Senator has said that he comes from a Prairie State. Suppose he had some old spavined mules and wanted to get some new ones to take their places. Suppose he turned the old ones loose in the pasture and got some new ones, and there came a time when, after being in the pasture they got a little better and he had an opportunity to sell them. He would get a good price for them. Suppose mules had the useful age of ships, and suppose mules were being shot all over the country just as ships are being torpedoed in various parts of the sea. Gradually mules would become scarce and the demand for them would increase. I believe the Senator would be glad to buy the old spavined mules back and pay two or three prices for them if necessary.

Mr. LANGER. Mr. President, the illustration is not at all analogous.

Mr. BAILEY. I would not say it is completely analogous. There is a great difference between a ship and a mule. I

do not mean to say that they look alike or even behave alike. However, I was trying to give the Senator an illustration.

Mr. LANGER. Not even the transaction cited by the Senator is analogous. The companies to which reference has been made have been buying from the United States Government an article for almost nothing. Time and time again Senators have said that no one should make any profit out of the war. I think the Senator from Vermont is to be commended for bringing into the glare of pitiless publicity the fact that, if the statement of the Comptroller General is correct, certain corporations have bought articles from the United States Government for almost nothing and have sold them back to the taxpayers of the country at enormous profits. They are doing so at a time when we are saying to the sons of laborers and farmers "You must come. We will put you into military service." At the same time millionaires are being created through transactions involving property which was owned by the Government only a few years ago.

Mr. BAILEY. Mr. President, I welcome the Senator from North Dakota to the battalions fighting nobly for the moral law.

Mr. CLARK of Missouri. Mr. President, I desire to detain the Senate for only a few minutes. I do so through the courtesy of the Senator from North Dakota [Mr. LANGER] who had arranged for recognition at this time.

In connection with the remarks of the Senator from Vermont [Mr. AIKEN] and the Senator from North Carolina [Mr. BAILEY] I particularly desire to refer to two sections of the law governing the Maritime Commission.

I join the Senator from North Carolina in my expressions of personal friendship for Admiral Land. I am proud to say that he is my personal friend. I have great respect for his character. I do not believe that he would knowingly do anything wrong. I have great respect for his accomplishments, as well as for the accomplishments of the Maritime Commission, in the construction of tonnage since the present emergency developed, and, indeed, since the passage of the Maritime Act in 1936. However, I do not believe that either the Senator from North Carolina or I, or any other Senator, should let his admiration for Admiral Land as a man, and his respect for the accomplishments of Admiral Land and those of the Maritime Commission in connection with the ship-construction program, blind him to certain glaring defects, as I see them, in the positions assumed from time to time by the Maritime Commission.

Mr. President, I desire particularly to address myself to the question of compensation to be paid for ships taken. I desire to do so only briefly because, as I have said, it is a matter which requires very comprehensive discussion.

The Senator from North Carolina referred to the fact that the Maritime Commission Act involved a distinct departure in policy on the part of the United States Government. That statement is entirely true. It involved a de-



parture from the old, bad system of indirect subsidies to the adoption of a system of direct subsidies. So far as I was personally concerned, I did not believe that any conceivable circumstances would ever induce me to vote for a ship subsidy. It was contrary to my natural beliefs. It was contrary to the repeated declarations of my party in every Democratic platform for the past 40 years.

However, familiarity with the vices and corruption of the system of indirect subsidies led me to believe that, properly drawn and properly administered, a direct subsidy system would be infinitely better than the old vicious, corrupt system of indirect subsidies. So the Commerce Committee worked for several years on a suitable measure. An effort was made repeatedly to report the Maritime Commission bill to the Senate and to pass it through the Senate without the inclusion of the enhancement clause, and without the inclusion of the protective features contained in section 802 of the Maritime Commission Act.

As a matter of fact, on one occasion the bill was reported from the Commerce Committee without those protective features. Then something happened which I never saw happen before or since in either branch of Congress. The then chairman of the committee, the late Dr. Copeland, reported the bill without those protective features, by voting several proxies in the Commerce Committee. A minority report was prepared, and a majority of the committee signed the minority report. It was the only time I ever saw such a thing take place.

It was necessary to recommit the bill to the Commerce Committee, and we then prepared a bill embodying section 802, containing the protective features, and section 902, the enhancement clause section, and it passed the Senate. After having passed the Senate, it was about to be done to death in the House of Representatives because it contained those features. It was necessary for some of us, including the then Senator Black of Alabama, now Associate Justice of the Supreme Court, the Senator from Washington, myself, and several other Senators, to conduct a filibuster in this body during the closing days of a session against a deficiency appropriation bill which contained the reappropriation, which had been previously denied, for the old ocean mail subsidies. By conducting a filibuster in the Senate against the deficiency bill containing the ocean mail subsidy appropriation, we compelled action in the House of Representatives on this measure, as was stated publicly in the House of Representatives by the chairman of the committee in charge of the bill when he reported it.

Mr. President, what are these provisions? The controversy between the Maritime Commission and the Comptroller General has to do only with the basis of compensation for ships taken by the Government of the United States during this emergency. The Comptroller General is seeking to enforce the provisions of the enhancement clause and of

section 802. The Maritime Commission is apparently trying to emasculate that clause. The bill would never have become law without the enhancement clause. The policy on which the act was founded was that no shipowner should be permitted to profit solely by reason of the existence of the emergency which made it necessary for the Government of the United States to take the ships. That is a matter of common defense. The right of the United States to take the ships is the only justification for a ship subsidy act. I am informed that a proposal will be made in this Congress to permit the shipowners to take down the amount which the Comptroller General says they are entitled to receive, and then sue in the Court of Claims for the remainder of what they think they ought to have. They have not been willing to take the money because they wanted to have their profit enhanced by reason of the existence of the emergency.

I have practiced law, and for a good many years made my living by practicing law, but in all my practice of law I never heard any respectable lawyer enunciate any such doctrine as that. If a man sued my client for \$100,000 on the basis of some sort of a personal injury, let us say, and if I offered him \$2,500, but he would not accept it, he would not get the \$2,500 and then be able to sue my client for the remainder. He would not get anything until his rights had been adjudicated and until the courts having jurisdiction had passed on the matter.

But the proposal to pay the ship operators now all that the Comptroller General says they are entitled to and let them sue the Government for the balance, seems abhorrent to any legal idea I have ever had.

What is the proposal? First let me say that there is a difference in equity between compensation to a man who built ships under Government subsidies, in some cases amounting to the whole cost of the ships, and who operated the ships under Government subsidies, and a man who had no Government subsidy in either the building or the purchase of a ship and who operated a ship without a Government subsidy. They do not seem to me to stand on the same footing at all, and the law does not require them to stand on the same footing, because the law sets up two different standards.

Section 902, which is the only section which has been discussed in the debate, contains the enhancement clause, which is as follows:

Section 902 (a). It shall be lawful for the Commission to requisition any vessel documented under the laws of the United States, during any national emergency declared by proclamation of the President, and when so taken or used, the owner shall be paid the fair actual value of the vessel at the time of taking, or paid the just compensation for the vessel's use based upon such fair actual value (excluding any national defense features previously paid for by the United States), less a deduction from such fair actual value of any construction differential subsidy allowed under this act, and in no case shall such fair actual value be enhanced by the causes necessitating the taking. In the case of a vessel taken and used, but not purchased, the vessel shall be restored to the

owner in a condition at least as good as when taken, less reasonable wear and tear, or the owner shall be paid an amount for reconditioning sufficient to place the vessel in such condition. The owner shall not be paid for any consequential damages arising from such taking or use.

But, Mr. President, sweeping as the enhancement clause is, I call attention to the fact that it sets up one standard for taking, while in the case of the subsidized vessels a different standard is set up in section 802.

Section 802 provides that—

Every contract executed by the Commission under authority of title V of this act—

That is the construction differential subsidy section or title—

shall provide that:

In the event the United States shall, through purchase or requisition, acquire ownership of the vessel or vessels on which a construction-differential subsidy was paid, the owner shall be paid therefor the fair actual value thereof, but in no event shall such payment exceed the actual depreciated construction cost thereof (together with the actual depreciated cost of capital improvements thereon, but excluding the cost of national-defense features) less the depreciated amount of construction subsidy theretofore paid incident to the construction or reconditioning of such vessel or vessels. In computing the value of such vessel, depreciation shall be computed on each vessel on the schedule adopted by the Bureau of Internal Revenue for income-tax purposes.

Mr. President, under section 802, as to subsidized vessels there can be no possible question of fairness. The Government put up the money to build the ships. The Government put up the money to operate the ships. Written into every contract, if the Maritime Commission obeyed the law in writing the contracts, was a specific provision that if the Government found it necessary to take the ships at any time, the Government could take them at cost, less depreciation.

Yet it is being urged on every side, or on many sides at least, that the shipping interests are entitled to something more than the cost of their ships less depreciation because in the meantime the price of ships had gone up due to the emergency created by this war. Mr. President, it seems to me—and I am not reflecting in any way on the character of Admiral Land; as I say, I like Admiral Land and I respect him—that the Maritime Commission has taken a tragically erroneous position in the matter. So far as I am concerned, I certainly will oppose in this body any legislation designed to break down the force of either the enhancement clause of section 902 or the provision for retaking subsidized vessels contained in section 802.

While I am on my feet, Mr. President, I desire to say just a word or two about the remarks of the Senator from North Carolina on the question of taxation of subsidized vessels. I think the Senator from North Carolina has correctly stated the law; and on that particular head I cannot blame the Maritime Commission for the discrepancy in the treatment of subsidized and unsubsidized vessels. That is the fault of Congress; that is "one that we missed" when the

legislation was passed and when the subsequent tax legislation was passed. But I do say that the effect of it in actual practice has been to bring about an absolutely unfair discrimination in the matter of taxation as between subsidized lines and the lines which are not subsidized but which have been of American registry and in operation under the American flag. Under that provision, subsidized vessels and subsidized lines sold to or taken by the Government are subject to no tax, but competitors who have been rendering a service under the American flag—not receiving, however, any subsidy for construction or for operation—are subjected to all the provisions of our internal revenue laws; and if such operators do not immediately—or within 90 days, I believe the requirement is—distribute the amount they receive over and above the cost of the vessel, they are subjected to a very heavy tax, which, as I recall, is 31 percent.

I say that that discrimination between the treatment accorded the subsidized lines and the nonsubsidized lines should be erased from the law. I cannot blame the Maritime Commission or anyone else for that discrimination. I can blame no one other than myself and the other Members of the Senate and the Members of the House of Representatives who permitted those provisions to be written into the law. I merely desire to express that view, in passing, as to the observations of the Senator from North Carolina on the whole tax problem.

Mr. WILEY. Mr. President, will the Senator yield?

Mr. CLARK of Missouri. I yield.

Mr. WILEY. After all, is not the question involved in the first subject the Senator discussed simply one of law? If we had a Federal statute corresponding to those which some of the States have, providing a method for obtaining a declaratory judgment interpreting the latter statute the Senator read, it seems to me we would have the answer. As the Senator read the statute, it would seem to me that there would be no answer other than the one the Senator said was the correct answer; because the Government entered into the contracts relative to the ships and specifically set them in a class by themselves, and stated on what basis it could repurchase the ships. I suppose the problem arises over the matter of costs. Was it the cost of reproduction or was it the cost expressed in terms of what was paid for the ships? I suppose that is the issue.

Mr. CLARK of Missouri. Mr. President, there cannot be any question as to the meaning of the provisions of section 802, because that section specifically provides for original cost less depreciation; and the definition of depreciation is given. Depreciation is depreciation according to the schedule set up by the Bureau of Internal Revenue.

The other section possibly is open to some dispute, although it seems to me it was made as clear as the committee knew how to make it at the time when it was passed. It provides:

Based upon such fair actual value (excluding any national defense features previously paid for by the United States), less a deduc-

tion from such fair actual value of any construction differential subsidy allowed under this act, and in no case shall such fair actual value be enhanced by the causes necessitating the taking.

That means the emergency, of course.

If a man bought a ship at a low price, a price far less than its actual value, and if the Government subsequently came along and took it, under the provisions of section 902 he would be entitled to the profit he could make from his good trading—based on the fact that he had bought the ship for a little less than it was worth—and that he might be able to sell it for possibly a little more than it was worth and still come within the provisions of the act. When a man says, "Yes, I have the property, I bought it from the Government for little or nothing, I have kept it for a number of years, and now conditions have improved in the world, and I will sell it at an increased price," he could get it. But if he says "Yes, the Government takes it, and I am entitled to the enormous enhancement in the going value of ships due to the great emergency which causes the Government to take it," then the act says that he cannot get such a tremendous profit. That is what the Comptroller General has said.

The actual situation is that the Comptroller General has ruled on the question of what the shipowners are entitled to for the taking of the ships. The shipowners have refused to accept the Comptroller General's decision in the matter. They have not tried to have the question brought up in any courts so far as I have heard. They are simply waiting around in the hope that the Congress will come along and emasculate the enhancement clause contained in section 902. That to my mind is the whole controversy between the Maritime Commission and the Comptroller General, and for what my views may be worth, I desire to express my opinion that the Comptroller General is absolutely right in his contention.

I thank the Senator from North Dakota for yielding to me.

Mr. AIKEN. Mr. President, will the Senator from North Dakota yield?

Mr. LANGER. I yield to the Senator from Vermont.

Mr. AIKEN. Since my earlier remarks the discussion has revolved around the point of law whether or not sections 802 and 902 have been observed by the Maritime Commission. The impression may have been created that the charges of the Comptroller General against the Maritime Commission have to do with the observance of this particular point of law. Let me say that as a matter of fact only in the case of the steamship *Roosevelt* has this particular law been brought into the picture. In the cases of the Tampa Shipbuilding Co. and the Waterman Shipbuilding Co. the charges were based on other conditions.

I ask unanimous consent, Mr. President, to have printed in the *Record* brief summaries of the charges which the Comptroller General's Office has made against the Maritime Commission. I do not mean the whole document, but merely summaries of the charges which have been made against the Maritime

Commission in the case of the Tampa Shipbuilding Co., the Waterman Shipbuilding Co., and the alleged irregularities concerning the purchase of the steamship *Roosevelt*.

The PRESIDING OFFICER (Mr. TUNNELL in the chair). Without objection, the summaries will be printed in the *Record*.

The summaries are as follows:

REPORT OF IRREGULARITIES IN THE CONSTRUCTION BY THE UNITED STATES MARITIME COMMISSION OF CERTAIN VESSELS UNDER CONTRACTS WITH THE TAMPA SHIPBUILDING & ENGINEERING CO. AND IN THE SALE THEREOF TO THE NAVY DEPARTMENT

GENERAL ACCOUNTING OFFICE,  
Washington, June 10, 1942.

The President of the Senate.

MY DEAR MR. PRESIDENT: There is submitted herewith report of investigation by representatives of this Office of the contracts and other records of the United States Maritime Commission, the Navy Department, and the Tampa Shipbuilding & Engineering Co., and its successor, the Tampa Shipbuilding Co., Inc., relative to the partial construction of seven vessels by the said companies under contracts with the United States Maritime Commission and the sale of said vessels to the Navy Department prior to completion.

Sincerely yours,

LINDSAY C. WARREN,  
Comptroller General of the United States.

REPORT OF IRREGULARITIES (1) IN THE CONSTRUCTION BY THE UNITED STATES MARITIME COMMISSION OF CERTAIN VESSELS UNDER CONTRACTS WITH THE TAMPA SHIPBUILDING & ENGINEERING CO. AND (2) IN THE SALE THEREOF TO THE NAVY DEPARTMENT

As a result of examination by the General Accounting Office of contracts and other records of the Tampa Shipbuilding & Engineering Co. (hereinafter referred to as the "old company"), Tampa Shipbuilding Co., Inc. (successor to Tampa Shipbuilding & Engineering Co., hereinafter referred to as the "new company"), Reconstruction Finance Corporation (hereinafter referred to as "R. F. C."), the Navy Department, and the United States Maritime Commission (hereinafter referred to as the "Commission"), certain matters were disclosed which are required to be reported to the Congress under the provisions of section 312 of the Budget and Accounting Act, 1921 (42 Stat. 26).

The apparent irregularities disclosed are summarized briefly, as follows:

(1) On November 14, 1940, the Commission and the new company purport to have sold to the Navy Department three uncompleted vessels, designated as hulls 34, 35, and 36, at prices aggregating \$1,129,407.78 in excess of the adjusted lump-sum contract prices for the completion of said vessels;

(2) On April 16, 1941, the Commission and the new company also accomplished, in effect, a sale to the Navy Department of the new company's contracts with the Commission for the construction of, and materials on hand for, four other vessels, designated as hulls 37, 38, 39, and 40, at prices aggregating \$797,160.74 in excess of the value thereof based on the adjusted lump-sum contract prices and the stated percentages of completion;

(3) In effecting each of said sales, the Commission indulged fictional or pretended sales to the new company, apparently organized for that purpose, and said new company, in the instance of each sale, consummated a contemporaneous sale which had been previously arranged by the Commission, of the respective hulls to the Navy Department, notwithstanding the fact that title to such hulls, as well as the materials on hand, was vested in the Commission under existing contracts;



(4) At the time of the reorganization (November 14, 1940) the records reflected the net worth of the old company to have been \$47,012.36, whereas, the same assets (after reorganization of the sale of hulls 34 to 36 to the Navy Department, plus \$500 paid for the stock of the new company) and liabilities were recorded on the books of the new company so as to reflect a net worth of \$2,037,561.48;

(5) The net worth of the new company is represented by 10,000 shares of no-par-value stock owned by George B. Howell, president of said new company, for which he paid only \$500;

(6) During the period May 21, 1938, to April 16, 1941, the R. F. C. loaned and advanced to the old company and the new company large sums of money for operating capital and plant improvements, during which period the Commission, at the demand of the R. F. C., guaranteed the debt of the companies to the R. F. C. to the extent of more than \$300,000, without lawful authority;

(7) Simultaneously with the acquisitions by the Navy Department, as aforesaid, and the payment by it of the considerations therefor, the Navy Department entered into cost-plus-fixed-fees contracts with the new company for the conversion and completion of the hulls so acquired, and, with the funds paid to said new company by the Navy Department, said company's direct indebtedness to the R. F. C. was paid; the Commission received the return of progress payments made by it on account of the construction of said hulls to the dates of their acquisitions by the Navy Department, and the companies' indebtedness to two Tampa banks (Exchange National Bank and First National Bank) were paid in full;

(8) The acquisitions by the Navy Department were designed to redeem, and had the effect of redeeming, the old company from its then insolvent condition, and of redeeming the investments of the Commission, the two Tampa banks, and the R. F. C. through unauthorized expenditures of funds appropriated to the Navy Department.

(9) The only changes effected by the so-called reorganization through the organization of the new company were the restoration of the capital structure through the donation of approximately \$2,000,000 appropriated moneys, and stock ownership and control for which only \$500 was paid by George B. Howell, president of said new company;

(10) Expenses incident to launching vessels, including transportation, hotel expenses, gifts for sponsors, etc., aggregating \$4,072.22 were, in effect, paid from public funds under the so-called reorganization plan;

(11) The Commission entered into a contract with the new company for the shifting of hull 34 from Tampa, Fla., to Mobile, Ala., after the transfer to, and acceptance of, said hull by the Navy Department;

(12) The Commission failed to determine the amount of any excess profits for recapture as required by law; and

(13) The use of funds from the Navy Department appropriation, "17X0604. Alterations to naval vessels," for the acquisition of hulls, the keels of some of which had only recently been laid, was unauthorized.

The above-mentioned matters are commented upon more fully hereinafter under appropriate headings.

REPORT OF INVESTIGATION BY REPRESENTATIVES OF THE COMPTROLLER GENERAL'S OFFICE OF THE CONTRACTS AND OTHER RECORDS OF THE UNITED STATES MARITIME COMMISSION

GENERAL ACCOUNTING OFFICE,  
OFFICE OF COMPTROLLER GENERAL  
OF THE UNITED STATES,  
Washington, August 21, 1942.

THE SPEAKER, HOUSE OF REPRESENTATIVES.

MY DEAR MR. SPEAKER: There is submitted herewith report of investigation by repre-

sentatives of this Office of the contracts and other records of the United States Maritime Commission relating, among other things, to the sale by the Commission under sales agreement dated June 8, 1940, of five vessels from the Commission's laid-up fleet to the Waterman Steamship Corporation for the aggregate price of \$596,000 (43,318 dead-weight tons), with an option to the Commission to repurchase the same vessels at said aggregate price, plus improvements made thereon by the corporation, less reasonable depreciation, and the subsequent purchase by the Commission from the corporation of five other and older vessels for an aggregate price of \$3,374,700 (43,965 dead-weight tons), instead of exercising the option to repurchase the vessels sold under said agreement of June 8, 1940.

Sincerely yours,

LINDSAY C. WARREN,

Comptroller General of the United States.

GENERAL ACCOUNTING OFFICE,  
OFFICE OF COMPTROLLER GENERAL  
OF THE UNITED STATES,  
Washington, August 8, 1942.

REPORT OF THE SALE BY THE UNITED STATES MARITIME COMMISSION TO WATERMAN STEAMSHIP CORPORATION OF FIVE OBSOLETE VESSELS FROM THE COMMISSION'S LAID-UP FLEET, WITH OPTION TO REPURCHASE SAID VESSELS, AND THE SUBSEQUENT PURCHASE FROM SAID CORPORATION OF FIVE OTHER SIMILAR AND OLDER VESSELS AT GREATLY ENHANCED PRICES, INSTEAD OF EXERCISING SAID OPTION

Examination by representatives of the General Accounting Office of the records of the United States Maritime Commission brings out certain matters which are required to be reported to the Congress under the provisions of section 312 of the Budget and Accounting Act, 1921 (42 Stat. 26), and which involve apparent irregularities, summarized as follows:

(1) On June 8, 1940, the United States Maritime Commission (hereinafter called the "Commission") made and entered into an agreement in writing with the Waterman Steamship Corporation, of Mobile, Ala. (hereinafter called the "corporation"), by which the Commission sold to the corporation five obsolete vessels from the Commission's laid-up fleet at and for the aggregate price of \$596,000 (or an average price of \$13.76 per dead-weight ton), with the right, at the Commission's option, to repurchase said vessels at such price, plus improvements made thereon by the corporation, less depreciation, as hereinafter shown.

(2) In connection with, and as part of the consideration for, the sale of June 8, 1940, the corporation obligated itself to construct, or cause to be constructed, four new vessels to be added to the American merchant fleet, and thereafter, by an agreement dated on or about November 6, 1940, the corporation undertook the construction of four new vessels by and through its wholly owned subsidiary, the Gulf Shipbuilding Corporation, such construction to be entirely at the corporation's expense and without aid by the Commission under the Merchant Marine Act, 1936, as amended.

(3) In late 1941 and early 1942 the Commission purchased from the corporation five other and older vessels at and for prices aggregating \$3,374,700 (or an average of \$75 a dead-weight ton), instead of exercising said option to repurchase the vessels sold under the agreement of June 8, 1940, and paid said aggregate price to the corporation.

(4) In purchasing the five vessels from the corporation as aforesaid, instead of exercising the option to repurchase the vessels sold under the written agreement of June 8, 1940, the Commission laid out and expended the sum of \$1,995,502.68 more than it should and would have expended had it exercised said option, without regard to reasonable depreciation of the vessels sold under said written agreement, as will more fully and clearly hereinafter appear.

(5) The purchase of said vessels by the Commission from the corporation was consummated and the full purchase price of \$3,374,700 was paid directly to the corporation, after it, on October 25, 1941, had applied in writing to the Commission under section 510, Merchant Marine Act, 1936, as amended, to trade in certain obsolete vessels (including some of those purchased from the corporation as aforesaid), and for a credit of the value thereof to be applied against the promised construction of eight new vessels to be added to the American merchant fleet, which application was never acted upon by the Commission.

(6) The five obsolete vessels were purchased by the Commission from the corporation as aforesaid without the formality of a written agreement stating the terms and conditions of the sale, and the transaction was closed by the execution, delivery, and recording of bills of sale for the vessels, each of which instruments recited only a nominal consideration of \$10.

(7) After said five vessels had been purchased from the corporation as aforesaid (following said application under sec. 510, Merchant Marine Act, 1936, as amended, which was not acted upon by the Commission), and after the purchase price thereof had been paid to the corporation, the corporation attempted to establish a construction reserve fund under the provisions of section 511, Merchant Marine Act, 1936, as amended, in such manner as to enable the corporation to avoid or defer the payment of income tax on the gain or profit of, to wit, \$1,995,502.68, realized by it through the sale of said five vessels to the Commission in late 1941 and early 1942, on the theory and apparent promise that said fund would be used in the construction of new vessels for addition to the American merchant marine, but a dispute has arisen between the Commission and the corporation as to the way and manner in which said so-called construction reserve fund shall be used and applied, which dispute is now pending before and is undetermined by the Commission, and which dispute is now under consideration by Commissioner John M. Carmody with a view to a report by him thereon to the Commission.

(8) It is claimed on behalf of the Commission that the five vessels acquired from the corporation in late 1941 and early 1942 were purchased pursuant to the proclamation of the national emergency by the President on May 27, 1941, and under the provisions of the act of June 6, 1941 (55 Stat. 242), infra, which act provides that vessels may be purchased for the emergency at such prices as the Commission "may deem fair and reasonable and in the public interest"; but that act contains no provision for the trade-in of, and the allowance of credit for, obsolete vessels against new vessels to be constructed as provided in sections 510 and 511, Merchant Marine Act, 1936, as amended, as hereinafter shown.

REPORT OF IRREGULARITIES IN THE SALE OF THE STEAMSHIP "PRESIDENT ROOSEVELT" BY THE UNITED STATES SHIPPING BOARD, AND THE SUBSEQUENT PURCHASE OF SAID VESSEL BY THE UNITED STATES MARITIME COMMISSION FOR ACCOUNT OF THE WAR DEPARTMENT

As a result of examination by the General Accounting Office of contracts and other records of the United States Maritime Commission (hereinafter referred to as the "Commission"), certain matters were disclosed which are required to be reported to the Congress under the provisions of section 312 of the Budget and Accounting Act, 1921 (42 Stat. 26).

The facts and apparent irregularities are summarized briefly, as follows:

(1) The steamship *President Roosevelt* was built for the Government in 1922 at a cost of approximately \$5,924,000.

(2) The Government operated the vessel approximately 7 years, and on March 21, 1929, sold same to the United States Lines, Inc. (predecessor of the United States Lines Co.) for \$1,000,000, resulting in depreciation in value (absorbed by the Government) of \$4,924,000 during the period of Government operation of 7 years.

(3) The United States Lines, Inc., made payments aggregating \$300,000 and thereafter defaulted on the unpaid balance of \$700,000 due on the vessel.

(4) Under contract dated October 30, 1931, the United States Shipping Board, in effect, reacquired the vessel and sold same to the United States Lines Co. (successor to the United States Lines, Inc.), for \$262,500, resulting in the Government absorbing further depreciation in value of \$437,500, and at the same time the United States Lines Co., by write-up of \$437,500 for its account, increased the value of the vessel on its own books to \$750,000.

(5) The United States Lines Co. operated the vessel for 9 years, and depreciated the value of the vessel at the rate of \$75,000 per annum, with corresponding charges to operating expenses.

(6) The Commission, under date of October 31, 1940, purchased the vessel for the account of the War Department and paid therefor \$600,000, whereas the value based on Commission's General Order No. 24 was only \$178,531.01, resulting in an overpayment of \$421,468.99.

(7) As a result of the transactions during the period 1922 to 1940, the Government has absorbed losses due to depreciation in value of the vessel to the extent of approximately \$3,000,000 for the 7 years it operated the vessel and, in addition, \$858,969 while the vessel was owned and operated by the United States Lines, Inc., and its successor, United States Lines Co. (a period of 11 years), without considering the enormous subsidies paid under the Merchant Marine Acts of 1928 and 1936, whereas, in effect, the United States Lines Co. appreciated the value of the vessel during the period it owned and operated said vessel to the extent of \$858,969.

The above-mentioned matters are commented upon more fully hereinafter under appropriate headings.

Mr. AIKEN. Mr. President, I would also call the attention of the Senate, though I will not ask to have it inserted in the Record, to the report of the investigation of the South Portland Shipbuilding Corporation as made by the House Committee on the Merchant Marine and Fisheries. It is Report No. 2653 of the Seventy-seventh Congress.

I want it further made clear, Mr. President, that in asking, as I have, for an investigation of these charges and of the entire situation, I am asking for investigation of existing system more particularly than of any one man. I have taken especial pains not to refer to the Chairman of the Maritime Commission by name, but only as the Maritime Commission chairman. I hold him responsible for conditions because, as chairman of the Maritime Commission, he is the one who should be held responsible. In all the reports which have come to me concerning the activities of the Maritime Commission, I wish to say that there never has been one implying that the Chairman of the Commission has made any financial profit out of any alleged waste or mispending of Government funds. If there has been any corruption, it is corruption of a system, and it ought to be investigated and corrected.

#### MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Taylor, its enrolling clerk, announced that the House had disagreed to the amendments of the Senate to the bill (H. R. 2068) making additional appropriations for the Navy Department and the naval service for the fiscal year ending June 30, 1943, and for other purposes; agreed to the conference asked by the Senate on the disagreeing votes of the two Houses thereon, and that Mr. SHEPPARD, Mr. THOMAS, Mr. COFFEE, Mr. WHITTEN, Mr. DITTER, Mr. PLUMLEY, and Mr. JOHNSON of Indiana were appointed managers on the part of the House at the conference.

#### AMENDMENT OF THE NATIONAL HOUSING ACT

The PRESIDING OFFICER (Mr. TUNNELL in the chair) laid before the Senate the amendment of the House of Representatives to the bill (S. 677) to amend the National Housing Act, as amended, which was, to strike out all after the enacting clause and insert:

That section 603 (a) of such act, as amended, is hereby amended by (1) striking out "\$800,000,000" and inserting in lieu thereof "\$1,200,000,000"; and (2) striking out of the third proviso "July 1, 1943" in each place where it appears and inserting in lieu thereof "July 1, 1944."

Sec. 2. The first sentence of section 2 (a) of such act as amended, is amended by striking out "1943" and inserting in lieu thereof "1944."

Mr. RADCLIFFE. Mr. President, I move to amend the House amendment by striking out in line 1 the word "such" and inserting in lieu thereof the words "the National Housing."

The motion was agreed to.

Mr. RADCLIFFE. I now move that the Senate concur in the amendment of the House as amended.

The motion was agreed to.

#### ESTABLISHMENT OF A JEWISH NATION IN PALESTINE

Mr. LANGER. Mr. President, I desire to address myself briefly to the question of the establishment of a Jewish Nation in Palestine.

On February 26, speaking at the University of Toronto, in Canada, of the political and economic problems of the future, the Under Secretary of State, Mr. Sumner Welles, advocated a series of conferences and consultations between the members of the United Nations, and announced that the United States Government—

intends at once to undertake discussions with other members of the United Nations as to the most practical and effective methods through which these vitally necessary conferences and consultations \* \* \* can be held.

Only 1 day earlier, on February 25, we were given an example of these thorny problems, which do not even permit us to await the end of the war, but call for immediate attention and solution. On that day a note was delivered by the Secretary of State to Lord Halifax, the British Ambassador, outlining American policy toward the refugee question and proposing a meeting at Ottawa of representatives

of the United States and Great Britain for a preliminary exploration of this question.

Again we find no reference, in these two recent announcements, to one particular question which has been the source of many tragedies in the past, and which must be expected to remain the source of many difficulties in the future—the Jewish question. In dealing with the nations and peoples of the world, we know that to arrive at any satisfactory result we must grapple with their special problems. It is not enough to enunciate general principles. In international, just as in national life, it is the specific cases that represent reality. Generalities alone, however glittering, however well meant, however just, do not solve anything. The realities in international affairs are represented by the great divisions of mankind, the nations, races, and creeds of the world, and by their desires, needs, and fears. To grapple with these problems, it is well that we do not confine ourselves to making up our minds about them. It is only just that we give the groups involved the fullest opportunity to express their own views.

Certain steps have already been taken to grant fuller representation on the councils of the United Nations to the representatives of all opponents of the Axis, to those who fight actively against it, and to those who are oppressed under its heel. To safeguard the interests of the oppressed populations, we have recognized various governments-in-exile, even though they do not in fact govern the people whom they have undertaken to represent. But their participation in our councils is a symbol, a symbol of our readiness to deal with the special needs of the people involved, to take notice of their special interests, and to give full opportunity for the expression of their own desires.

No steps have been taken to date to deal specifically with the Jewish question in Europe, one of the most complicated and aggravating of all, and no steps have been taken to insure to the people concerned—the homeless Jews of the Old World—any adequate representation among the United Nations.

The Jews have repeatedly made a bid for admission into the councils of the United Nations. On November 17 I myself, together with my colleague, the senior Senator from Utah (Mr. THOMAS), participated in a mass demonstration on behalf of this cause in Manhattan Center, New York City, sponsored by the New Zionist Organization of America, which had previously applied to all the heads of the United Nations for admission of the Jews to the councils of the United Nations.

In his speech of February 26, in which Mr. Welles proposes on behalf of the United States that consultations be pursued on a broader and more permanent basis, this question is once more passed over in silence. It is submitted that the time has come to make place for the Jewish question on the agenda of the world, and to make place for the representatives of the stateless Jews of the world on the councils of the United Nations.



The same characteristic omission mars our note to Britain on the refugee question. With a great deal of realism, the note points out our generous contribution to the solution of the refugee problem in the past, and with commendable frankness it acknowledges that our own share in affording asylum for refugees is "bound by legislation enacted by Congress determining the immigration policy of the United States." But where the note departs from realism is in its insistence that "the refugee problem should not be considered as being confined to persons of any particular race or faith." Of course, it is not so confined, but it is childish to pretend that the refugee problem presents always the same questions, regardless of the difference in composition of the various refugee groups. Each case presents problems of its own, and must be accorded individual attention. There is no evidence of this intention in our note.

Another shortcoming of this note is that it treats the refugee problem as a temporary one. All that it tries to accomplish is to provide temporary asylum for the refugees in neutral or United Nations' territory, with one end in view, namely, "their prompt return to their native countries upon the termination of hostilities."

We know that to pretend that this solution will be feasible in all cases is "bunkum." It is especially "bunkum" in the case of many Jewish refugees, uprooted, shorn of all their possessions, embittered by many proofs of hostility received in the past, and suspicious of continued bitterness on the part of their neighbors in the future. President Roosevelt has publicly acknowledged this, and has stated that several million people will have to be helped to resettle in new lands. Mr. Hoover has agreed that preparations should be made for new lands to receive those masses of refugees whom it will be impractical to return to their former homes. All Jewish organizations, without any notable exception, agree that repatriation will be possible in part of the cases only, and that in many other cases resettlement will be required, not only resettlement of actual refugees, but even of many who will have remained in their countries of origin until the end of the war. In the face of such unanimity of opinion among all those who have seriously studied the question, the attitude of the Department of State, revealed in the note to which I have referred, cannot possibly contribute to a satisfactory solution. It can only contribute to confuse the situation even more, and to insure that we shall be worried by it again and again.

The question has been often discussed in the Senate and in the House, in the British Parliament, and in the press, but still nothing is being done to deal with it adequately. We all know more or less what is involved. Several million Jews lived in a wide area in the middle of Europe, where they were traditionally subject to prejudice, frequently to discrimination, and occasionally to violence. To escape their misery, many of them

came to this country and to the other countries of the New World, and many more would have come if we and the other new countries had been in position to let them in. But long before the crying need of these Jewish populations to emigrate had been satisfied, economic and other internal considerations compelled us, just as they compelled other countries, to tighten the immigration laws. A stream of immigration to the United States and to other countries still continues, but this stream, at one and the same time, appears to many of us too broad, and to the unhappy Jews of the Old World not broad enough. We all know that the economic dislocation caused by the war and the difficulties of readjustment afterward will prevent any liberalization of our immigration laws. It is much more likely that they will be further tightened. Most probably the same situation will prevail in other countries.

Yet the Jewish question has been terribly aggravated in the meantime. Nazi treatment of Jews stands out unique in cruelty even if measured against the inhumanity of the Nazi record in general. Many hundreds of thousands of European Jews, perhaps millions, will have been killed or deliberately driven to death by the time the war ends. Millions will have been forced into exile. Practically all the Jews of the area involved will have been uprooted from their economic positions, and separated from their possessions and means of livelihood. The survivors will have to start afresh, without resources, from scratch.

Nor, realistically speaking, can we count on these Jews encountering much good-will on the part of their neighbors. The tradition of racial and religious anti-Semitism was always fairly strong in the part of the world where they live. This tradition has now been immeasurably strengthened by a concerted propaganda effort on the part of Nazi Germany. Touching incidents are reported from all over Europe, from Norway to Greece, and from France to Poland, in which warm and selfless sympathy has been extended to Jews by their Gentile fellow-sufferers under German occupation. Nevertheless, one may not overlook the difficulties which stare us in the face. It was quite difficult to maintain the rights of minority groups, as long as they really existed, even in the face of wide-spread prejudice. It is far more difficult, in the face of such prejudice, to restore minorities to positions which have been lost.

Even today, in the midst of the war, we find evidence of these difficulties. In North Africa, we are told, restoration of Jews to their previous equal status had to be postponed for many months for fear of arousing Arab resentment. Significant sections of Polish exiles in England openly preach the need for Jewish emigration from the future Polish State, and instances of anti-Jewish discrimination and violence by Polish authorities and troops are reported from Russia and Palestine. These are isolated instances, but they foreshadow the troubles

to come when the hungry and destitute population of Europe will throw itself ravenously on the few supplies and opportunities that will be available on that destroyed Continent, and will bitterly compete for a share in the meager resources. Inevitably the Jews will come out at the short end.

It is childish to suppose that paper guarantees of equality which we may extract from the governments-in-exile or other authorities can change this situation, and it is just as naive to assume that we or Britain or Russia will post soldiers everywhere in Europe to uphold Jewish rights by force of arms.

This situation offers a tragic prospect to the Jews of many European countries and to the dispersed Jewish refugees, many of whom are equally unwanted in their temporary asylums and in their old countries. But the position is aggravated by the fact that this prospect is dangerous not to the Jews alone. We have seen what nefarious use can be made of anti-Semitism to fan the flames of war. The friction engendered by an unsolved Jewish question produced in many nations a susceptibility to anti-Semitism. By making use of this latent anti-Semitism Hitler made allies in his own country and in other countries and paved the road to war. If we do not solve the problem, others after Hitler will make similar use of anti-Semitism, and the threat of future catastrophes will be upon us.

A far-sighted and truly statesman-like solution for these difficulties was devised long ago. Outstanding men of Jewish origin—a Brandeis in America, a Disraeli in England—saw in it the solution for their oppressed brethren. It was the proposal to set aside for the Jews that ancient land of theirs, Palestine. The ancient prophecy of the Bible, no less than the needs of modern conditions, all pointed to this solution. The holy places of all religions were to be placed under international supervision; the non-Jewish inhabitants—Moslem as well as Christian—were to be safeguarded full civil and religious equality, but the country as a whole was to be opened to all those Jews who felt that they had no chance against prejudice and preferred to develop a nationality of their own. When a sufficient number of Jews had come to Palestine to form a majority, the country would be transformed into a Jewish state.

In 1917 the plan was endorsed by President Wilson, by Great Britain, France, Italy, and Russia. Germany too assented to it. In 1919, when a number of Arab states were launched on their way to independence, another obstacle seemed to fall, and, finally, most nations of the world approved the Palestine mandate, making Palestine the national home of the Jews, and entrusting Britain with the responsibility of administering it. Every President of the United States since Wilson reiterated his agreement with this policy. Congress, on the initiative of the late Senator Lodge and of Representative HAMILTON FISH, associated itself with the project, and a formal treaty between the United States

and Great Britain incorporated the provisions of the Palestine mandate.

The wisdom of the setting aside of Palestine as a Jewish national home became obvious after 1921, when first the United States and then other countries restricted foreign immigration. Jews in the countries of traditional anti-Semitism were hit hardest. Then came Hitler, and a new wave of Jewish refugees from Germany and the annexed territories—Austria and Czechoslovakia. Then came the war, with its wholesale dislocation of the Jewish population of Europe, and with its probable aftermath—a new emigration wave. In all these circumstances we have done our share, and probably will continue to do our share in offering refuge to some of the emigrants, but it is obvious that we shall not be able to accommodate the main stream. Nor will the other countries, justly preoccupied with the effects of large-scale migration movements upon their own populations. In dealing with this situation, the creation of a Jewish state which would absorb the main stream is the one logical solution.

In the solution of the Jewish migration problem, Palestine did not play the part it could and should have played. Since the beginning, the British administration in Palestine acted on the theory that Jewish development in Palestine ought to be curtailed, and that British interests would be better served were Palestine to become one of a group of Arab states which would be nominally independent, but in fact under British control. For several years this policy of restrictions was purported to be justified on economic grounds, but when it appeared clearly that the greater the volume of Jewish immigration, the more prosperity was enjoyed by the entire country, Arabs included, this explanation was dropped, and the restrictions were openly acknowledged to be governed by a political consideration, namely, by the desire to avoid a Jewish majority in Palestine.

The prevailing explanation for this policy is the need to placate the Moslems, and especially the Arabs. This explanation was given before the advent of Hitler and since his advent, before the war and since the war. How serious this need is cannot be stated very easily. But many students of the question pointed out that it was the British attitude which encouraged Arabs in Palestine and elsewhere to register opposition to the national home policy, rather than that Arab opposition compelled the British to change this policy. Lord Wedgwood, one of England's most forthright statesmen, declared openly:

The Arabs are an excuse, not a reason.

The legal position of Great Britain in dealing with Palestine as she does is also open to question. On various occasions the Mandate Commission of the League of Nations expressed serious doubts as to whether British practice in Palestine was consistent with the mandate. On these occasions, it will be noticed, Britain disregarded the doubts expressed, never bothered to submit the questioned interpretation of the mandate to the World Court, as she was

bound to do under the mandate, but relied on her own *ex parte* interpretation of an international document, and went ahead. At this very moment, Palestine is administered on the basis of a British document, the so-called White Paper of 1939, which has been unanimously declared by the Mandate Commission of the League of Nations to be contrary to the correct interpretation of the mandate.

What is most important, however, is neither the motive behind Britain's policy in Palestine, nor even its legality, but the effect of this policy on the Jewish question, which has become so important for the welfare of the world. This effect is a bad one. To reduce the malignant power of anti-Semitism in Europe, to give an outlet to Jewish need for emigration from Central Europe without endangering the delicate balance of population existing in western countries, Palestine was internationally designated as the place where facilities for large-scale Jewish colonization should be provided, and where Jews should regain political nationhood. This aim was hitherto prevented from materializing, and an important objective of international stabilization was frustrated.

We know that a large movement of Jewish emigration will develop after the war in certain parts of the world, and that this migration movement will raise in many respects problems different from those of the migration movements of other groups. We face here a special problem, and to solve it special steps are required. A large number of Jews in the world who have been completely uprooted will wish to start a new life in a Jewish country. In the interest of the world, as well as in the interest of humanity, they should be assisted in this endeavor.

To facilitate the voluntary transfer of these Jews to the future Jewish state, and to lay the basis for its existence, a fully representative Jewish National Committee ought to be established by the interested Jewish groups, with whom our Government and the other governments could treat. Just as, in the last war, similar national committees were established by the Poles, the Czechs, the Latvians, and the Lithuanians, and were recognized by us and the Allies, later leading to the establishment of provisional governments. This procedure could be followed now in the case of these Jews.

The Jews of the world have as much at stake in this war as anyone else. They participate in the fight, and they certainly participate in the suffering. Those of them who are full-fledged citizens of their countries are represented by their governments on the same basis with their non-Jewish fellow citizens. But many of them, in law, or, at any rate, in fact, have no one to represent them. This error, too, should be corrected. The Jewish National Committee should be recognized by the United Nations, and should be given a place and a voice in the councils of that group. The committee would represent the interests of the stateless and refugee Jews of the world, and the interests of the future Jewish state. Through this committee,

the Jewish people should be acknowledged an equal member of the United Nations.

Our Department of State ought to urge the formation and recognition of such a committee, and, if necessary, it should offer its good offices in bringing together the interested Jewish groups for the purpose of forming it.

Many Jewish citizens of the United States will undoubtedly lend their sympathy and support to the work of this committee, just as our population of Irish, Czech, and Polish origin have taken an interest and have lent their support to the committees formed at various times on behalf of those nationalities previous to their attainment of statehood. But it should be clear, in keeping with these precedents, that our Jewish citizens would not be affected themselves by the formation of such a committee, and that the committee would not claim to represent anyone other than the Jews already in Palestine, and those refugee and stateless Jews who wish to proceed to Palestine, and to constitute a Jewish state.

The forthcoming transformation of Palestine, including Transjordan, into a Jewish state, should be proclaimed and mutually agreed upon by the United Nations as one of their common aims. Immediate agreements are to be entered with the Jewish National Committee, representing provisionally the interests of the Jewish state, and with all interested governments, regarding—

(a) Facilities for the large-scale voluntary emigration of Jewish refugees, stateless Jews, and Jewish victims of discrimination or persecution, to Palestine, with control over the admission of these immigrants vested exclusively in the authorities of the Jewish state;

(b) The assurance of full civic and religious rights to the non-Jewish inhabitants of Palestine, both during the transitional period, and later, when they shall have become a numerical minority of the population; and

(c) An internationally supervised regime for the holy places in Palestine.

Upon formation of the Jewish state, these agreements are to be supplemented by treaties to which the Jewish state should be a party.

Again, it should be clear that the formation of the Jewish state ought not to interfere with the status of Jewish citizens of other countries. What does interfere with our interests is the fact that Jews, exposed to persecution in some parts of the world, naturally seek to escape. This exposes us and Britain and the Dominions to a sorry dilemma, either to open wide our gates, thereby endangering the delicate population balance within our respective countries, or consign millions of human beings to further martyrdom, and keep the world burdened with a problem of high explosive capacity. Both alternatives are equally unsatisfactory, and the creation of a Jewish state for those Jews who want and need it is the only adequate way out.

Even now, in the midst of the war, the governments of the United Nations are faced with the problem of refugees who have escaped the Axis and have not yet



found any permanent abode, and of those who might be saved from the Axis and preserved from threatening destruction. Quite recently an arrangement was announced by which several thousand such men and women would be taken out of Bulgaria. The press announced that Rumania expressed her readiness to let a certain number of Jews leave the country. In France, in Turkey, and in Portugal, many more thousands of such individuals can be found, most of them Jews. Many tragedies have already taken place, with these refugees trying to find refuge in some country, sailing from port to port in unseaworthy vessels, being rejected everywhere, and finding graves at the bottom of the sea.

The note which we sent to Great Britain on February 25 seems to deal with this immediate problem, but it deals with it in an unsatisfactory manner. It avoids mention of the Jewish refugee problem, at present the largest one by far, and it assumes wrongly that all refugees will be able to return to their old homes after the war. What is needed is that Jewish refugees from Axis domination, who have not yet been settled elsewhere, and other Jews whom it will be possible to rescue from inevitable doom in Axis lands, be enabled to proceed to Palestine. Palestine lies near the centers where these Jews are at present, and their transportation there could be arranged with far less inconvenience to the war effort of the United Nations than their transportation to any outlying region. At the same time, this salvaging action could be undertaken without infringing the immigration laws and regulations of any other country, and would be in keeping with the established international policy of regarding Palestine as the national home for the Jews.

In one more respect is immediate action needed. Jews who are citizens of the United States, Britain, Russia, and other allies, bravely fight in the armies of these countries. Nevertheless, it is necessary to put on record and to make universally known the part which Jews as Jews take in the fight against the Axis. It is well known that the Jews were everywhere singled out as the first victims of the Nazis, and it would be most appropriate if Jews were also to participate on their own behalf in the present war. Therefore, Jewish volunteers other than those subject to military service in the United Nations should be organized into a Free Jewish Army, which would form part of the armed forces of the United Nations, similar to the other "free" armies of the present and the last war. Eligible for enlistment in the Jewish army would be Palestinian Jews, Jewish refugees from Axis and other countries, stateless Jews, and Jewish volunteers from neutral countries. Units of the Jewish army could be formed wherever conditions warrant it, and could be attached to the various fighting fronts, where they would be under the command of the Allied commander of the area. The formation of the army would proceed under the authority of the Jewish National Committee, which would also appoint the senior

officers of the units of the army. Officers in general could be chosen among qualified volunteers who, in part, might be detailed by the Allied armies with which they now serve. Equipment and supplies for the Jewish army should be made available by the United States and our allies on a lend-lease basis, similar to the assistance provided by us to other "free" armies.

#### PROCLAMATION OF PRESIDENT ESTABLISHING THE JACKSON HOLE NATIONAL MONUMENT IN WYOMING

Mr. O'MAHONEY. Mr. President, I desire to make a record here this afternoon of what I regard to be a rather extraordinary instance of the indirect use of Executive power to accomplish an objective which could not be accomplished by legislative action. I was very much amazed yesterday afternoon, while in the meeting of the Committee on Military Affairs, to have my secretary come into the meeting with a copy of the Federal Register of March 18, 1943, in his hand. I was told that my office force, which had been searching for the text of an O. P. A. modification of a ration order, found this copy of the Federal Register, and there on the front page discovered Proclamation No. 2578, issued by the President of the United States on March 15, establishing the Jackson Hole National Monument in Wyoming, and containing the description of several hundred thousand acres of land within the boundaries of that State.

The history of this situation which thus culminated in the publication yesterday in the Federal Register of this Executive proclamation is, I think, of sufficient interest, Mr. President, to justify my taking a few moments of the Senate's time.

The Jackson Hole section in Wyoming contains, I think, some of the most beautiful scenery to be found anywhere in the world. It lies immediately south of the Yellowstone National Park. It contains some perfectly marvelous mountain ranges. It also contains large areas of high-grade grazing land. A large part of this area was embraced within the boundaries of the Teton National Forest.

Fifteen or sixteen years ago the then head of the National Park Service, Mr. Horace M. Albright, sought to have a national park created there which should take in most of this area. The Senators from Wyoming at that time were my predecessor, the Honorable John B. Kendrick, and his colleague, Francis E. Warren.

Mr. President, the normal attitude of the people of Wyoming, as of all the people of all the Western States, is that they prefer to have the land owned by the Government within the boundaries of the States to pass as rapidly as possible into private ownership. Their purpose and desire is to make certain, if possible, that the land shall be used for productive purposes. They are quite willing that there should be set aside proper areas for national parks and for national monuments. But the question that was presented to Senator Warren and Senator Kendrick, and to the Con-

gress at that time, was how large an area should be taken out of the regular processes of productive operation and placed in a national park. Senator Kendrick came to an understanding with the National Park Service, and gave his approval to a bill creating the Teton National Park, definitely setting its boundaries. They embraced a smaller area than was desired by the National Park Service. They embraced a larger area than was approved by the people of Wyoming. But from that day to this the National Park Service has never rested in its efforts to extend the boundaries of that park, and to take a much larger area out of normal production, and put it aside for pleasure and for the preservation of beauty, which, of course, is a very laudable objective.

As long ago as 1938, after I became a Member of the Senate, I submitted a resolution to provide for an investigation of this matter, because I wanted to find out what the sentiment of the people of the State of Wyoming was with respect to this proposal. I went to the Jackson Hole region with members of the Senate Committee on Public Lands and Surveys. We held protracted hearings there. We gave ample opportunity to all who were concerned to come before the committee and tell their story. Among those who came were the representatives of John D. Rockefeller, Jr., who had purchased several thousand acres of land privately owned, and who wanted to donate the land to the Federal Government and have it included within the new boundaries of the Teton National Park. But the sentiment of the people of Wyoming was overwhelmingly against it. When I returned, the subcommittee reported to the full committee adversely upon the proposal to extend the boundaries of that park.

Every year since then, when a session of Congress was about to open, the Secretary of the Interior, who has been committed to this program of park extension, would consult the Wyoming Representatives and Senators and urge them to give their consent to the passage of a bill to extend the boundaries of the park. Such consent was never given. Oh, it is true that back in 1934 or 1935 my then colleague, Senator Robert D. Carey, introduced a bill, in the introduction of which he asked me to join, providing for the extension of the park. The bill was introduced solely for the purpose of having the matter thoroughly investigated. The bill was passed by this body, but it was not agreed to by the other House. Subsequent to that time, as I said, the people of Wyoming have lost no opportunity to express their distinct opposition to the extension of the boundaries of that park.

Early this year I had an intimation, which of course I did not need, that pressure to bring about this extension was still being exerted. I knew that there would be no possibility of any legislation on the subject being passed by the Senate or the House, but it occurred to me that some effort might be made to

make the extension indirectly by Executive order. So I looked up the law with respect to the creation of national monuments. This law was enacted on June 8, 1906, and is as follows:

Public Law No. 209

An act for the preservation of American antiquities

*Be it enacted, etc.,* That any person who shall appropriate, excavate, injure, or destroy any historic or prehistoric ruin or monument, or any object of antiquity, situated on lands owned or controlled by the Government of the United States, without the permission of the secretary of the department of the Government having jurisdiction over the lands on which said antiquities are situated, shall, upon conviction, be fined in a sum of not more than \$500 or be imprisoned for a period of not more than 90 days, or shall suffer both fine and imprisonment, in the discretion of the court.

SEC. 2. That the President of the United States is hereby authorized, in his discretion, to declare by public proclamation historic landmarks, historic and prehistoric structures, and other objects of historic or scientific interest that are situated upon the lands owned or controlled by the Government of the United States to be national monuments, and may reserve as a part thereof parcels of land, the limits of which in all cases shall be confined to the smallest area compatible with the proper care and management of the objects to be protected: *Provided,* That when such objects are situated upon a tract covered by a bona fide unperfected claim or held in private ownership, the tract, or so much thereof as may be necessary for the proper care and management of the object, may be relinquished to the Government, and the Secretary of the Interior is hereby authorized to accept the relinquishment of such tracts in behalf of the Government of the United States.

SEC. 3. That permits for the examination of ruins, the excavation of archeological sites, and the gathering of objects of antiquity upon the lands under their respective jurisdictions may be granted by the Secretaries of the Interior, Agriculture, and War to institutions which they may deem properly qualified to conduct such examination, excavation, or gathering, subject to such rules and regulations as they may prescribe: *Provided,* That the examinations, excavations, and gatherings are undertaken for the benefit of reputable museums, universities, colleges, or other recognized scientific or educational institutions, with a view to increasing the knowledge of such objects, and that the gatherings shall be made for permanent preservation in public museums.

SEC. 4. That the Secretaries of the Departments aforesaid shall make and publish from time to time uniform rules and regulations for the purpose of carrying out the provisions of this act.

Approved, June 8, 1906.

Mr. President, I desire to call attention to the fact that this statute, which shows clearly upon its face that it was designed to make it possible for the President of the United States to set aside as national monuments prehistoric structures, antiquities, and other objects of that kind, has been used to secure a legislative objective which the Congress of the United States had been unwilling to grant.

Mr. HAYDEN. Mr. President, will the Senator yield?

Mr. O'MAHONEY. I yield.

Mr. HAYDEN. All the Senator has said is obviously true. However, the great precedent for acting in the manner which he has described was established

long ago by former President Theodore Roosevelt, when he created the Grand Canyon National Monument in Arizona, which was practically twice the size of the then existing Grand Canyon National Park. At that time the statute was stretched to the utmost limit; and I doubt if any action since taken has comprised as many square miles of land.

Mr. O'MAHONEY. I am glad the Senator from Arizona has called attention to the action of President Theodore Roosevelt. However, I venture to say that the conditions which exist in this case did not exist in the case of the creation of the Grand Canyon National Park in Arizona. The opportunity had not been presented in that case to gain the objective by legislation. In this particular instance, Mr. President, the legislature of the State of Wyoming has repeatedly adopted memorials declaring the opposition of that State to this very purpose.

The action is taken under a statute which contains the following limiting proviso:

The limits of which in all cases shall be confined to the smallest area compatible with the proper care and management of the objects to be protected.

That act was approved on June 8, 1906. I am not sure that it was not passed after the Executive order which created the Grand Canyon National Park.

Mr. HAYDEN. No; the Grand Canyon National Monument was established under the identical statute which the Senator has urged. Then, by act of Congress in the Wilson administration, the park itself was established, greatly reducing the area included in the proclamation of former President Theodore Roosevelt.

We have another illustration in Arizona. One day President Hoover rode through the State on a train, and an enthusiastic citizen pointed out of the car window to an enormous growth of giant cactus. The President thereupon issued an Executive order which included a considerable amount of forest land set aside for the use of the University of Arizona. Actually, the proclamation left out considerable areas of the public domain which might well have been included in a giant cactus national monument.

We have had great difficulty in trying to correct those boundaries, which everyone recognizes were made in haste and in an improper manner. One President after another, from Theodore Roosevelt down to the present incumbent, has proceeded to exercise in the broadest way an authority which, as the Senator has pointed out, Congress certainly intended to limit.

Mr. O'MAHONEY. My recollection is that the distinguished Senator from Arizona had an experience of this kind within the past few years, when an Executive order, concerning which he had not the slightest knowledge before the action was taken, was issued affecting lands within his State.

Mr. HAYDEN. No; the situation was not quite that which the Senator has stated. The latest instance was a threatened executive order which I had been assured would not be issued. It concerned an area of land in which the

National Park Service had voluntarily stated that it had no interest. Yet, the project was revived without anybody knowing anything about it. It caused great commotion in the State. The legislature adopted a memorial in protest. Interested stock growers were very much alarmed lest valuable grazing areas would be denied them. As a result, as the Senator from Wyoming may remember, I induced the Senate to adopt a proviso to the Interior Department appropriation bill that no Executive order of that kind might be issued in my State and requiring that any extension of a national park or monument should be by act of Congress. In conference the amendment was not agreed to by the House conferees, but, as a result of that agitation, I did obtain a firm commitment from the Secretary of the Interior that in no event would any such project be undertaken within the State of Arizona without advance notice to the Senators and Representatives in Congress from that State.

Mr. O'MAHONEY. Mr. President, I congratulate the Senator from Arizona. He was more successful than was I. As I was saying, knowing that the purpose in the minds of officials of the National Park Service and in the minds of John D. Rockefeller, Jr. and his associates, to bring about an extension of the park, had never been abandoned, in February of this year I took the precaution to write the following letter to the Secretary of the Interior:

Hon. HAROLD L. ICKES,  
Secretary of the Interior,  
Washington, D. C.

DEAR MR. SECRETARY: I have been rereading the act of June 8, 1906, relating to the creation of national monuments, and I observe that it is entitled, "An act for the preservation of American antiquities."

Section 2 of this law authorizes the President, "In his discretion, to declare by public proclamation historic landmarks, historic and prehistoric structures, and other objects of historic or scientific interest that are situated upon the lands owned or controlled by the Government of the United States to be national monuments."

Obviously, this law deals with landmarks and structures which have a historic, prehistoric, or scientific interest and which are situated upon lands belonging to the United States. It does not seem to me that this language can be construed as extending authority to the Government to accept donations of land from private interests for the purpose of extending the boundaries of a national park.

It is interesting to note that in the volume of Public Land Statutes published by the Department of the Interior there appears on page 382, immediately following the act of June 8, 1906, above cited, a list of acts of Congress establishing or relating to national monuments and parks under the jurisdiction of the Department of the Interior. This list is additional evidence of the correctness of my contention, namely, that the extension or addition of land to a national park is a matter for congressional action.

Permit me to say that, in my opinion, it would be contrary to sound public policy as well as to law to attempt by executive action to procure the extension of the boundaries of a national park, particularly when Congress in the case of the Teton National Park has been requested to make an extension and has not acted.

Sincerely yours,

JOSEPH C. O'MAHONEY.



Mr. President, I received no response to that letter until this morning. In the meantime the Executive order had been signed on the 15th of March. It was printed in the Federal Register of March 18. The letter which I received from the distinguished Secretary of the Interior is dated March 18. I will read the letter because it seems to me to be an outstanding example of the very bad practice of indirect Executive action to attain objectives which are not possible of attainment by way of legislative enactment. The letter of the Secretary of the Interior is as follows:

THE SECRETARY OF THE INTERIOR,  
Washington, March 18, 1943.  
Hon. JOSEPH C. O'MAHONEY,  
United States Senate.

MY DEAR SENATOR O'MAHONEY: I have received your letter dated February 23, in which you object to the creation of the proposed Jackson Hole National Monument in Wyoming. Your position rests upon the grounds that the act of June 8, 1906 (34 Stat. 225; 16 U. S. C., sec. 431), does not authorize "the Government to accept donations of land from private interests for the purpose of extending the boundaries of a national park" and that it would be improper to create the monument in view of the failure of Congress to act in this regard after being requested so to do.

I agree that the 1906 act does not authorize the addition of lands to a national park. But the Jackson Hole lands are not proposed to be added to the Grand Teton National Park, but are to be established as a national monument. The 1906 act clearly authorizes the creation of this monument, for the Jackson Hole area contains historic landmarks \* \* \* and other objects of historic or scientific interest that are situated upon the lands owned or controlled by the Government of the United States \* \* \*.

Let me interject there, Mr. President, that the lands which are being included in this national monument immediately adjoin the Grand Teton National Park. There is no separation. The lands which are being included embrace not only lands which belong to the Government of the United States, but lands which are privately owned, which are not at all covered by this act.

I continue to read the Secretary's letter:

The fact that the proposed monument will adjoin Grand Teton National Park does not invalidate its creation. Neither the 1906 act nor any other statute precludes the creation of a monument next to a national park.

Mr. President, I think that is a marvel of special pleading.

The letter continues:

Indeed, this is the circumstance in the case of Grand Canyon National Park (act of February 26, 1919, 40 Stat. 1175) and Grand Canyon National Monument (proclamation of December 22, 1932, 47 Stat. 2547), and in the case of Zion National Park (act of November 19, 1919, 41 Stat. 356) and Zion National Monument (proclamation of January 22, 1937, 50 Stat. 1809).

I do not share your feeling that the creation of the proposed national monument is improper because of the failure of Congress to act in this regard. The question which was presented to Congress, and on which Congress failed to act, was a proposed addition of the Jackson Hole lands to the Grand Teton National Park. The present proposal contemplates the creation of a national monument, and this question has never been presented

to, or considered by, Congress, in view of the general legislation authorizing the creation of national monuments by the President.

You will understand that it was not easy for me to reach a conclusion on this question contrary to yours. But I am clear both as to the legal authority of the President to create the proposed national monument and as to the resulting gain to the Nation's recreational resources. In these circumstances I have felt that no other decision was open to me.

Sincerely yours,

HAROLD L. ICKES,  
Secretary of the Interior.

Mr. President, the administration of this huge tract of several hundred thousand acres of land will now fall under the jurisdiction of the National Park Service. Except for the land which was in private ownership, it has been under the jurisdiction of the Forest Service. Under that bureau, livestock had been grazed upon the land. Now, while the country is puzzled to know what to do about the production of meat and meat products, we are confronted with an undertaking to remove from use as a producing area hundreds of thousands of acres of land, and to turn them over to use for recreational purposes.

Mr. President, my only comment is that I think it rather extraordinary that in the midst of this global war the Secretary of the Interior has found time to recommend to the President the issuance of an Executive order creating a national monument, when he well knew that the sentiment of the people and the Government, and of the representatives of the people of Wyoming was contrary to the action which he proposed to take.

Mr. President, I ask unanimous consent that there may be printed in the Record, at the conclusion of my remarks, the Executive order to which I have referred.

THE ACTING PRESIDENT pro tempore. Without objection, it is so ordered. (See exhibit A.)

MR. O'MAHONEY. Mr. President, let me say one additional word. I believe that it is of primary importance for the peace of the world that a common understanding between the Members of the Senate and the House and the Executive shall be built up. I say, Mr. President, that by action such as that which has been taken it is impossible to build up a basis of confidence and understanding which is so essential to democratic government.

#### EXHIBIT A

#### PROCLAMATION 2578 ESTABLISHING THE JACKSON HOLE NATIONAL MONUMENT—WYOMING BY THE PRESIDENT OF THE UNITED STATES OF AMERICA, A PROCLAMATION

Whereas the area in the State of Wyoming known as the Jackson Hole country, including that portion thereof which is located in the Teton National Forest, contains historic landmarks and other objects of historic and scientific interest that are situated upon lands owned or controlled by the United States; and

Whereas it appears that the public interest would be promoted by establishing the aforesaid area as a national monument to be known as the Jackson Hole National Monument:

Now, therefore, I, Franklin D. Roosevelt, President of the United States of America, under and by virtue of the authority vested

in me by the act of June 4, 1897 (30 Stat. 11, 36; U. S. C., title 16, sec. 473), and the act of June 8, 1906 (34 Stat. 225; U. S. C., title 16, sec. 431), do proclaim that the Teton National Forest lands within the aforesaid area are hereby excluded from the said national forest and that, subject to all valid existing rights, the lands excluded from the said national forest together with all other lands within the following described area are reserved from all forms of appropriation under the public land laws and set apart as a national monument, which shall hereafter be known as the Jackson Hole National Monument:

Beginning on the present western boundary line of the Grand Teton National Park at a point where the hydrographic divide between Webb Canyon and Snowshoe Canyon intersects the hydrographic divide of the Teton Mountains (within what will probably be when surveyed section 1, township 45 north, range 117 west, sixth principal meridian); thence northerly and northeasterly along the divide formed by the crest of the Teton Range to the projected position of what will be when surveyed the line between sections 4 and 5, township 47 north, range 116 west; thence south along the section line between sections 4 and 5, 8 and 9, to the point for the corner of sections 8, 9, 16, and 17; thence east along the line between sections 9 and 16, 10 and 15, 11 and 14, 12 and 13, township 47 north, range 116 west, sections 7 and 18, 8 and 17, 9 and 16, to the point for the corner of sections 9, 10, 15, and 16, township 47 north, range 115 west; thence south along the line between sections 15 and 16, 21 and 22, 27 and 28, to the point for the corner of sections 27, 28, 33, and 34; thence east along the line between sections 27 and 34, 26 and 35, to the point for the corner of sections 25, 26, 35, and 36; thence south along the line between sections 35 and 36, township 47 north, range 115 west, sections 1 and 2, 11 and 12, 13 and 14, 23 and 24, to the section corner common to sections 23, 24, 25, and 26; thence east along the line between sections 24 and 25, township 46 north, range 115 west, sections 19 and 30, 20 and 29, 21 and 28, 22 and 27, 23 and 26, 24 and 25, township 46 north, range 114 west, sections 19 and 30, township 46 north, range 113 west, to the point for the quarter section corner of sections 19 and 30; thence south along the meridional quarter section line of unsurveyed sections 30 and 31, township 46 north, range 113 west, and surveyed sections 6, 7, 18, 19 and 30, township 45 north, range 113 west, to the present boundary of the Teton National Forest; thence easterly, southerly, and southwesterly along the Teton National Forest boundary to the corner of sections 25 and 36 on the east boundary of township 44 north, range 115 west; thence west three-fourths mile to the west one-sixteenth section corner of sections 25 and 36; thence south one-half mile to the west center one-sixteenth section corner of section 36; thence east one-fourth mile to the present boundary of the Teton National Forest; thence southerly along the Teton National Forest boundary to the south bank of the Gros Ventre River; thence westerly along the south bank of the Gros Ventre River to the line between sections 10 and 11, township 42 north, range 115 west; thence south to the section corner common to sections 10, 11, 14 and 15; thence west to the section corner common to sections 8, 9, 16, and 17; thence south to the section corner common to sections 20, 21, 28, and 29, thence west one-half mile to the quarter section corner between sections 20 and 29; thence south one-half mile to the center quarter section corner of section 29, township 42 north, range 115 west; thence west to the quarter section corner of sections 25 and 30 on the line between township 42 north, range 115 west, and township 42 north, range 116 west; thence south to the corner

of sections 25, 30, 31 and 36; thence west to the corner of sections 25, 26, 35 and 36; thence south along the line between sections 35 and 36, township 42 north, range 116 west, sections 1 and 2, township 41 north, range 116 west, to the south and east bank of Flat Creek; thence southerly and westerly along the south and east bank of Flat Creek to the line between sections 27 and 28 township 41 north, range 116 west; thence along the section line between sections 27 and 28 to the quarter section corner between sections 27 and 28; thence west one-fourth mile; thence north one-half mile to the east sixteenth section corner between sections 21 and 28; thence north three-fourths mile; thence east one-fourth mile to the north sixteenth section corner between sections 21 and 22; thence north on the line between sections 21 and 22, 15 and 16 to the section corner common to sections 9, 10, 15 and 16; thence east between sections 10 and 15 to the quarter section corner between sections 10 and 15; thence north one-fourth mile; thence east one-fourth mile; thence north one-half mile; thence east one-fourth mile to the north sixteenth section corner between sections 10 and 11; thence north on the line between sections 10 and 11, 2 and 3, to the corner common to sections 34 and 35, township 42 north, range 116 west, and sections 2 and 3, township 41 north, range 116 west; thence west along the township line between townships 41 and 42 north to the quarter section corner between section 3, township 41 north, range 116 west, and section 34, township 42 north, range 116 west; thence northerly on the meridional quarter section line of section 34 to the north bank of the Gros Ventre River; thence northeasterly along the north bank of the Gros Ventre River to the line between sections 34 and 35; thence north on the line between sections 34 and 35, 26 and 27, 22 and 23, 14 and 15, to the quarter section corner between said sections 14 and 15; thence west one-fourth mile; thence north one-fourth mile; thence west one-fourth mile; thence north one-fourth mile to the quarter section corner between sections 10 and 15; thence east one-fourth mile; thence north one-fourth mile to the west sixteenth section corner of sections 2 and 11; thence in a straight line to the northwest corner of section 1, township 42 north, range 116 west; thence west on the line between townships 42 and 43 north to the present boundary of the Grand Teton National Park; thence northerly along the east boundary and southwesterly along the north boundary of the Grand Teton National Park to the place of beginning; also a tract embracing the following lands; sections 5, 6, 7, 8, and 18, and those parts of sections 3, 4, 9, 10, 16 and 17, township 42 north, range 116 west sixth principal meridian, lying west of the center line of the main channel of Snake River.

The reservation made by this proclamation supersedes, as to any of the above-described lands affected thereby, the withdrawals made for classification and other purposes by Executive Orders No. 3394 of January 28, 1921; No. 4685 of July 7, 1927; No. 4857 of April 16, 1928; No. 5040 of February 4, 1929; No. 5436 of September 2, 1930; No. 5480 of November 13, 1930; and No. 7680 of July 30, 1937.

Warning is hereby expressly given to all unauthorized persons not to appropriate, injure, destroy, or remove any feature of this monument and not to locate or settle upon any of the lands thereof.

The Director of the National Park Service, under the direction of the Secretary of the Interior, shall have the supervision, management, and control of the monument as pro-

vided in the act of Congress entitled "An act to establish a National Park Service, and for other purposes," approved August 25, 1916 (39 Stat. 535, U. S. C., title 16, secs. 1 and 2), and acts supplementary thereto or amendatory thereof, except that the administration of the monument shall be subject to the reclamation withdrawal heretofore made under the authority of the act of June 17, 1902, 32 Stat. 388.

In witness whereof I have hereunto set my hand and caused the seal of the United States to be affixed.

Done at the city of Washington this 15th day of March in the year of our Lord 1943 and of the independence of the United States of America the 167th.

FRANKLIN D. ROOSEVELT.

By the President:

CORDELL HULL,

Secretary of State.

[F. R. Doc. 43-4147; filed March 17, 1943; 11:19 a. m.]

Mr. ROBERTSON. Mr. President, I desire to concur in the remarks of the able senior Senator from my State.

The Presidential proclamation 2578, issued March 15, 1943, establishing the Jackson Hole National Monument, Wyo., is nothing but an extension of the Teton National Park to the east and north, taking in all of Jackson Lake and practically the entire Jackson Hole area right down to the town of Jackson on the south. Stripped of all legal phraseology, this proclamation is an enabling act whereby the Rockefeller interests can dispose of a very hot potato, consisting of some 32,000 acres of the most desirable land in Jackson Hole which they purchased and which are now on the tax roll of Teton County. In addition, some 17,000 acres of private lands are included under the proclamation which provides the means of removing all these lands from the State and county tax rolls.

This whole question has been the subject of acute controversy for years. In Congress bills have been introduced; the Senate Public Land Committee went to Jackson and held hearings which resulted in a negative attitude by the Congress, with certainly no intention on its part of bringing this very controversial matter up when the entire Nation is devoting itself to the war effort. Congress refused authority for the extension of Grand Teton National Park, and Proclamation No. 2578 is a subterfuge to thwart the will of Congress by Executive action. The proclamation creating this monument will not contribute in any way to the war effort. As a matter of fact, there is room for considerable argument to show that it will be against the war effort.

The Jackson Hole is a great livestock area as well as a big game hunting area. Many thousands of elk are fed hay each winter on a Government game refuge immediately north of the town of Jackson. While hunters took out a great number of elk last fall, the Federal Wildlife Service and the Wyoming State Game Commission realize that if double the quantity had been taken out, it would have been to the advantage of the elk herd and the meat situation of the western people. Today, hundreds of elk are dying daily in Jackson Hole because of lack of feed.

The Presidential proclamation automatically eliminates hunting on over 221,000 acres, which are snow covered

in winter, and will thereby increase the already oversized elk herd, and result in a staggering winter mortality in the herd.

The bureaucratic stranglehold is such that the preparation of this proclamation was kept even from the Senate Public Lands Committee of which I am a member, and the first intimation I had was in a long-distance call from a citizen of Jackson, Wyo.

#### EXECUTIVE MESSAGES REFERRED

As in executive session,

The ACTING PRESIDENT pro tempore laid before the Senate messages from the President of the United States submitting sundry nominations, which were referred to the appropriate committees.

(For nominations this day received, see the end of Senate proceedings.)

#### GEN. HENRY HARLEY ARNOLD—NOMINATION REPORTED AND CONFIRMED

Mr. REYNOLDS. Mr. President, as in executive session, from the Committee on Military Affairs, I report the nomination of Lt. Gen. Henry Harley Arnold, Army of the United States (major general, United States Army), for temporary appointment as general in the Army of the United States, under the provisions of section 127 (a), National Defense Act, as amended; and, as in executive session, I move that the nomination be considered at this time.

Mr. McNARY. Mr. President, the committee has acted unanimously in this matter on account of the very notable and efficient services of General Arnold. I am willing to waive the usual rule and custom, and to have the nomination acted upon now.

Mr. REYNOLDS. I thank the Senator very much.

The ACTING PRESIDENT pro tempore. Is there objection to the request of the Senator from North Carolina? The Chair hears none, and the nomination is before the Senate.

Mr. REYNOLDS. Mr. President, I ask that the Senate confirm the nomination.

The ACTING PRESIDENT pro tempore. Without objection, the nomination is confirmed.

Mr. REYNOLDS. I request that the President be immediately notified of the confirmation of the nomination.

The ACTING PRESIDENT pro tempore. Without objection, the President will be notified forthwith.

#### ADJOURNMENT TO TUESDAY

Mr. HAYDEN. Mr. President, I move that the Senate adjourn until 12 o'clock noon on Tuesday next.

The motion was agreed to; and (at 3 o'clock and 1 minute p. m.) the Senate adjourned until Tuesday, March 23, 1943, at 12 o'clock noon.

#### NOMINATIONS

Executive nominations received by the Senate March 19 (legislative day of March 9), 1943:

#### THE JUDICIARY

Clarence Mullins, of Alabama, to be United States district judge for the northern district of Alabama (new position).



## REGISTER OF LAND OFFICE

Scott P. Stewart, of Utah, to be register of the land office at Salt Lake City, Utah, vice Albert S. Brown.

## TEMPORARY APPOINTMENT IN THE ARMY OF THE UNITED STATES

Lt. Gen. Henry Harley Arnold (major general, United States Army), Army of the United States.

## APPOINTMENTS, BY TRANSFER, IN THE REGULAR ARMY OF THE UNITED STATES

## TO ORDNANCE DEPARTMENT

Lt. Col. George DeVere Barnes, Quartermaster Corps (temporary colonel), with rank from January 11, 1943.

## TO AIR CORPS

Second Lt. John Streett Baldwin, Infantry (temporary captain), with rank from February 20, 1942, effective March 25, 1943.

Second Lt. Joseph Briggs De Vennish, Field Artillery (temporary first lieutenant), with rank from February 20, 1942, effective March 20, 1943.

Second Lt. Kenneth Lee Garrett, Cavalry (temporary captain), with rank from February 20, 1942, effective March 20, 1943.

Second Lt. Jacob Whitman Klerk, Field Artillery, with rank from January 19, 1943, effective March 25, 1943.

Second Lt. John Rossignol Lovett, Infantry, with rank from January 19, 1943, effective March 25, 1943.

Second Lt. Thomas Ranson Opie, Cavalry, with rank from February 20, 1942, effective March 25, 1943.

## PROMOTIONS IN THE REGULAR ARMY OF THE UNITED STATES

*To be colonels with rank from March 1, 1943*

Lt. Col. Charles Harrison Corlett, Infantry (temporary major general).

Lt. Col. William Ord Ryan, Air Corps (temporary brigadier general).

Lt. Col. William Francis Maher, Field Artillery (temporary colonel).

*To be first lieutenants with rank from April 30, 1943*

Second Lt. Richard Churchill Hutchinson, Air Corps (temporary lieutenant colonel).

Second Lt. Peter Joseph Prossen, Air Corps (temporary lieutenant colonel).

Second Lt. Frank Peter Bostrom, Air Corps (temporary lieutenant colonel).

Second Lt. Herbert Otto Wangeman, Air Corps (temporary major).

Second Lt. Richmond Archibald Livingstone, Air Corps (temporary lieutenant colonel).

Second Lt. Sylvan Davis Hand, Air Corps (temporary lieutenant colonel).

Second Lt. Jack Southmayd Marks, Air Corps (temporary major).

Second Lt. Robert Copeland Paul, Air Corps (temporary lieutenant colonel).

Second Lt. Donald Earl Meade, Air Corps (temporary lieutenant colonel).

Second Lt. James Franklin Whisenand, Air Corps (temporary major).

Second Lt. Don Allen Pomeroy, Jr., Air Corps (temporary major).

Second Lt. Abraham Donley Olson, Air Corps (temporary lieutenant colonel).

Second Lt. William Joseph Alvin Bowen, Air Corps (temporary major).

Second Lt. Walter Winfred Cross, Air Corps (temporary major).

Second Lt. Frank Burkley Harding, Air Corps (temporary major).

Second Lt. Roland John Barnick, Air Corps (temporary major).

Second Lt. Thomas Harber Holbrook, Air Corps (temporary major).

Second Lt. Clarence Bernard Hammerle, Jr., Air Corps (temporary major).

Second Lt. John William Weltman, Air Corps (temporary lieutenant colonel).

Second Lt. Milton Elmo Thompson, Air Corps (temporary major).

Second Lt. Robert John Koster, Air Corps (temporary major).

Second Lt. Marcus Alfred Mullen, Air Corps (temporary lieutenant colonel).

Second Lt. Donald Martin Alexander, Air Corps (temporary major).

Second Lt. James Daniel Mayden, Air Corps (temporary major).

Second Lt. Anthony Vincent Grossetta, Air Corps (temporary lieutenant colonel).

Second Lt. John Henry Carter, Air Corps (temporary major).

Second Lt. Thaddeus Lewis Woltanski, Air Corps (temporary major).

Second Lt. William Robert Purinton, Air Corps (temporary major).

Second Lt. Duane Haren Skiles, Air Corps (temporary lieutenant colonel).

Second Lt. Albert Arnold Cory, Air Corps (temporary major).

Second Lt. Brunow William Feiling, Air Corps (temporary major).

Second Lt. Glen Webster Martin, Air Corps (temporary major).

Second Lt. Richard Francis Ezzard, Air Corps (temporary captain).

Second Lt. Charles Edward Gregory, Air Corps (temporary major).

Second Lt. Paul John Yurkanis, Air Corps (temporary major).

Second Lt. Charles Marion Eisenhart, Air Corps (temporary major).

Second Lt. Theodore Ross Clinkscales, Air Corps (temporary major).

Second Lt. Frank Elgin Bomar, Air Corps (temporary major).

Second Lt. Warren Sanford Wheeler, Air Corps (temporary major).

Second Lt. Gilbert Louis Meyers, Air Corps (temporary lieutenant colonel).

Second Lt. Keith Wesley Dech, Air Corps (temporary major).

Second Lt. Chester Charles Busch, Air Corps (temporary major).

Second Lt. John Campbell Wilkins, Air Corps (temporary major).

Second Lt. Earl Brown Cook, Air Corps (temporary major).

Second Lt. Charles Paul Sheffield, Air Corps (temporary major).

Second Lt. William McMillan Knowles, Air Corps (temporary major).

Second Lt. Frank Lowry Dunn, Air Corps (temporary major).

Second Lt. Robert Jerome Hughey, Air Corps (temporary major).

Second Lt. George Joseph Ola, Air Corps (temporary major).

Second Lt. Everett Wilson Stewart, Air Corps (temporary major).

Second Lt. Frank Robbins Pancake, Air Corps (temporary major).

Second Lt. William Wallace Momyer, Air Corps (temporary lieutenant colonel).

Second Lt. Raymond Steele Morse, Air Corps (temporary major).

Second Lt. Martin Perdue Crabtree, Air Corps (temporary lieutenant colonel).

Second Lt. Harold Frederick Wilson, Air Corps (temporary major).

Second Lt. Milford Felix Itz, Air Corps (temporary captain).

Second Lt. William Nelson Boaz, Jr., Air Corps (temporary major).

Second Lt. Joseph James Preston, Air Corps (temporary major).

Second Lt. John Gilliland Simpson, Air Corps (temporary lieutenant colonel).

Second Lt. Thomas Marion Todd, Air Corps (temporary major).

Second Lt. John Randolph Maney, Air Corps (temporary captain).

Second Lt. Jerome Tarter, Air Corps (temporary captain).

Second Lt. Charles Dewey Slocumb, Jr., Air Corps (temporary major).

Second Lt. James Ernest Halle, Jr., Air Corps (temporary major).

Second Lt. Ralph LeRoy Merritt, Jr., Air Corps (temporary major).

Second Lt. Francis Bernard Carlson, Air Corps (temporary major).

Second Lt. Adriel Newton Williams, Air Corps (temporary major).

Second Lt. Fred Wright McNelly, Air Corps (temporary major).

Second Lt. Paul Constantine Schauer, Air Corps (temporary major).

Second Lt. Francis Frey Seeburger 4th, Air Corps (temporary major).

Second Lt. Harold Thaddeus Babb, Air Corps (temporary major).

Second Lt. George Echelbary Cranston, Air Corps (temporary major).

Second Lt. Keith Streeter Wilson, Air Corps (temporary major).

## MEDICAL CORPS

*To be colonels*

Lt. Col. Edgar Fremont Haines, Medical Corps (temporary colonel), with rank from April 6, 1943.

Lt. Col. John Randolph Hall, Medical Corps (temporary colonel), with rank from April 6, 1943.

Lt. Col. Royal Kendall Stacey, Medical Corps (temporary colonel), with rank from April 6, 1943.

Lt. Col. John Wade Watts, Medical Corps (temporary colonel), with rank from April 6, 1943.

Lt. Col. George Albert O'Connell, Medical Corps (temporary colonel), with rank from April 6, 1943.

Lt. Col. Charles Kettig Berle, Medical Corps (temporary colonel), with rank from April 6, 1943.

Lt. Col. Percy James Carroll, Medical Corps (temporary colonel), with rank from April 6, 1943.

Lt. Col. Harry Hunt Towler, Medical Corps (temporary colonel), with rank from April 6, 1943.

Lt. Col. Leon Alexander Fox, Medical Corps (temporary colonel), with rank from April 6, 1943.

Lt. Col. Floyd William Hunter, Medical Corps (temporary colonel), with rank from April 6, 1943.

Lt. Col. James Hubert Blackwell, Medical Corps (temporary colonel), with rank from April 6, 1943.

Lt. Col. Irwin Beede March, Medical Corps (temporary colonel), with rank from April 6, 1943.

Lt. Col. Robert E. Thomas, Medical Corps (temporary colonel), with rank from April 6, 1943.

Lt. Col. Henry Colmore Bradford, Medical Corps (temporary colonel), with rank from April 6, 1943.

Lt. Col. Samuel McPherson Browne, Medical Corps (temporary colonel), with rank from April 6, 1943.

Lt. Col. William Joseph Froitzheim, Medical Corps, with rank from April 6, 1943.

Lt. Col. Leonard Watson Hassett, Medical Corps (temporary colonel), with rank from April 6, 1943.

Lt. Col. William Thomas Weissinger, Medical Corps, with rank from April 6, 1943.

Lt. Col. John Roy Oswalt, Medical Corps (temporary colonel), with rank from April 6, 1943.

Lt. Col. Joseph Edward Campbell, Medical Corps (temporary colonel), with rank from April 6, 1943.

Lt. Col. Erick Martin Paulus Sward, Medical Corps (temporary colonel), with rank from April 6, 1943.

Lt. Col. Charles Benjamin Kendall, Medical Corps (temporary colonel), with rank from April 6, 1943.

Lt. Col. James Porter Crawford, Medical Corps (temporary colonel), with rank from April 6, 1943.

Lt. Col. Thomas Dreux Hurley, Medical Corps (temporary colonel), with rank from April 6, 1943.

Lt. Col. John Howard Sturgeon, Medical Corps (temporary colonel), with rank from April 6, 1943.

Lt. Col. Wood Sue Woolford, Medical Corps (temporary colonel), with rank from April 6, 1943.

Lt. Col. Raymond Wright Whittier, Medical Corps (temporary colonel), with rank from April 6, 1943.

Lt. Col. Elias Earle Cooley, Medical Corps (temporary colonel), with rank from April 6, 1943.

Lt. Col. Gerald D. France, Medical Corps, with rank from April 6, 1943.

Lt. Col. Clarke Blance, Medical Corps (temporary colonel), with rank from April 6, 1943.

Lt. Col. Paul Miller Crawford, Medical Corps (temporary colonel), with rank from April 6, 1943.

Lt. Col. Miner Frank Felch, Medical Corps (temporary colonel), with rank from April 6, 1943.

Lt. Col. Frank Lamont Cole, Medical Corps (temporary colonel), with rank from April 6, 1943.

Lt. Col. Charles Augustus Pfeffer, Medical Corps (temporary colonel), with rank from April 6, 1943.

Lt. Col. Cadmus James Baker, Medical Corps (temporary colonel), with rank from April 6, 1943.

Lt. Col. George Sawyer Woodard, Medical Corps (temporary colonel), with rank from April 6, 1943.

Lt. Col. Harry Elton Hearn, Medical Corps (temporary colonel), with rank from April 6, 1943.

Lt. Col. Carlton Lakey Vanderboget, Medical Corps (temporary colonel), with rank from April 13, 1943.

Lt. Col. Francis Elwood Weatherby, Medical Corps (temporary colonel), with rank from April 16, 1943.

#### To be captains

First Lt. Samuel Charles Harwood, Medical Corps (temporary captain), with rank from April 6, 1943.

First Lt. William Charles Burry, Medical Corps (temporary major), with rank from April 7, 1943.

First Lt. Robert Christian Rauscher, Medical Corps (temporary major), with rank from April 10, 1943.

First Lt. Edward Virginius Swift, Medical Corps (temporary major), with rank from April 24, 1943.

#### DENTAL CORPS

##### To be colonel

Lt. Col. George Magnor Krough, Dental Corps (temporary colonel), with rank from April 6, 1943.

#### CHAPLAINS

##### To be captain

Chaplain (First Lt.) John Alphonsus Dunn, United States Army (temporary captain), with rank from April 13, 1943.

#### IN THE NAVY

Dental Surgeon Alexander G. Lyle to be a dental surgeon in the Navy, with the rank of rear admiral, for temporary service, to rank from the 13th day of March 1943.

#### CONFIRMATION

Executive nomination confirmed by the Senate March 19 (legislative day of March 9), 1943:

#### IN THE ARMY

#### TEMPORARY APPOINTMENT IN THE ARMY OF THE UNITED STATES

Henry Harley Arnold for temporary appointment as general in the Army of the United States.

## HOUSE OF REPRESENTATIVES

FRIDAY, MARCH 19, 1943

The House met at 12 o'clock noon, and was called to order by the Speaker pro tempore, Mr. McCORMACK.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

O Thou who art from everlasting to everlasting, our help is in Thee who made heaven and earth; humble us in our pride and may we be not ashamed to be gentle and forgiving in all our ways. Day by day grant us of Thy spirit that we may brighten and bless the lives of others in need. So keep our hearts that when fortune frowns we may not follow her in silent sullenness.

Bring out of darkness those who dwell in ignorance; bring into the full light those who know not whither to go; bring out of the realm of selfishness all who mistake comfort for civilization; then the bonds of humanity will be recognized as uniting us in amity and cooperative endeavor. O Thou Father of our souls, whose life-giving currents thrill the hearts of men, let us seek that for which the devout of every age have longed for and worked for, namely, the kingdom of grace. Do Thou grant unto our public and private citizens the courage of the kingdom of God so strong that they shall make battle in this sacred warfare. We pray that nothing may be withheld which shall help our country and serve this burdened world. Our Lord and our God, may we ever keep the faith and never fail Thee. Be thou with our notable Speaker as he waits in the shadow of his sorrow; give him Thy peace and return him to us in health and strength. We pray in the spirit of our Redeemer. Amen.

The Journal of the proceedings of yesterday was read and approved.

#### THE LATE MR. WILL RAYBURN

Mr. THOMASON. Mr. Speaker, I ask unanimous consent to proceed for 1 minute.

The SPEAKER pro tempore. Is there objection?

There was no objection.

Mr. THOMASON. Mr. Speaker, as chairman of the Texas delegation, and speaking for them, and I am also assuming authority to speak for every member of the House, I express to our beloved Speaker and all his family our deep sorrow and profound sympathy on account of the death of his brother Will Rayburn, at Bonham, Tex., last evening. Mr. Will Rayburn was personally known to most of the Texas delegation. True to the good name he bore, he was a fine citizen, who typified all that is best in American life.

SAM RAYBURN's parents were pioneers in Texas. With their 11 children, their contribution to the cause of good citizenship in our State and Nation has been very large. Will Rayburn was a fine man and a good citizen, and will be missed not only by his own family, but also by his hundreds of close personal

friends in the community in which he lived.

#### DENIAL OF PASSPORT APPLICATIONS SUBSEQUENT TO DECEMBER 8, 1941

Mr. LUTHER A. JOHNSON. Mr. Speaker, by direction of the Committee on Foreign Affairs, I call up House Resolution 165, which I send to the desk and ask to have read.

The Clerk read as follows:

*Resolved*, That the Secretary of State is directed to furnish the House of Representatives all such information as he may possess in answer to the following:

(1) The names of all persons whose passport applications have been denied subsequent to December 8, 1941, in those cases where the issuance thereof was requested by an agency or department of the Federal Government and the reasons for such denial.

(2) The names of all persons whose passport applications were under consideration for more than 3 weeks before approved in those cases where the issuance thereof was requested by an agency or department of the Federal Government and the reasons for such delay in those cases.

(3) The names of all persons whose passport applications have been currently under consideration for more than 3 weeks in those cases where the issuance thereof is requested by an agency or department of the Federal Government and the reasons for such delay in those cases.

Mr. LUTHER A. JOHNSON. Mr. Speaker, I ask unanimous consent that the report of the committee be read.

The SPEAKER pro tempore. Without objection, the Clerk will read the report.

There was no objection, and the Clerk read as follows:

The Committee on Foreign Affairs, to which was referred the resolution (H. Res. 165) requesting certain passport information from the Secretary of State, having considered the same, report thereon without amendment and recommend that the resolution do not pass.

Such information available to the Department of State as is consistent with the public interest has been furnished your committee and is on file and may be seen by Members of the House at the committee offices.

Mr. LUTHER A. JOHNSON. Mr. Speaker, I move that the resolution be laid on the table.

The motion was agreed to.

A motion to reconsider the vote was laid on the table.

#### SPECIAL ASSISTANT SERGEANT AT ARMS

Mr. PATTON. Mr. Speaker, I call up the following resolution (H. Res. 177, Rept. 259) from the Committee on Accounts, and ask its present consideration.

The Clerk read as follows:

*Resolved*, That until otherwise provided by law there shall be paid out of the contingent fund compensation at the rate of \$2,400 per annum for the payment of salary for a Special Assistant Sergeant at Arms.

The SPEAKER pro tempore. The question is on agreeing to the resolution.

The resolution was agreed to.

A motion to reconsider was laid on the table.

#### EXTENSION OF REMARKS

Mr. SNYDER. Mr. Speaker, I ask unanimous consent to insert in the Rec-



ORD, as an extension of my remarks, material on the life and work of William Jennings Bryan, whose anniversary birthday is today.

The SPEAKER pro tempore. Is there objection?

There was no objection.

#### THE LATE WILLIAM JENNINGS BRYAN

Mr. SNYDER. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER pro tempore. Is there objection?

There was no objection.

Mr. SNYDER. Mr. Speaker, 83 years ago today there was born in the State of Illinois, at the town of Salem, that great humanitarian, Hon. William Jennings Bryan. I call attention at this moment to one thing he said about Japan, after visiting that country in 1908:

Japan needs the Christian religion. A nation must have some religion and she has outgrown Buddhism. Ideals presented by those two systems are diametrically opposed. One offers faith as the inspiration to noble deeds, the other a plan for the perfecting of self with no sense of responsibility to God.

#### SUPPLEMENTAL NAVAL APPROPRIATION ACT, 1943

Mr. SHEPPARD. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 2068) making additional appropriations for the Navy Department, and the naval service for the fiscal year ending June 30, 1943, and for other purposes, with Senate amendments thereto, disagree to the Senate amendments, and agree to the conference asked by the Senate.

The SPEAKER pro tempore. The Clerk will report the bill.

The Clerk reported the title of the bill.

The SPEAKER pro tempore. Is there objection?

There was no objection.

The SPEAKER pro tempore. Without objection, the Chair appoints the following conferees: Mr. SHEPPARD, Mr. THOMAS of Texas, Mr. COFFEE, Mr. WHITTEN, Mr. DITTER, Mr. PLUMLEY, and Mr. JOHNSON of Indiana.

#### EXTENSION OF REMARKS

Mr. ROLPH. Mr. Speaker, I have two unanimous consent requests: First, that I may extend my remarks in the RECORD and include a letter in connection with the Central Valley; and, second, that I may extend my remarks and include a resolution from the Senate of the State of California.

The SPEAKER pro tempore. Is there objection?

There was no objection.

#### WILLIAM JENNINGS BRYAN

Mr. LAMBERTSON. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER pro tempore. Is there objection?

There was no objection.

Mr. LAMBERTSON. Mr. Speaker, I want to pay my respects to the memory of William Jennings Bryan. He was not of my political faith, but he lived in a county near me. I heard him the year

after he was first nominated for President, and I heard him many times at Chautauqua meetings. He was a wonderful orator, a brilliant man, a sincere Christian, and a real commoner.

I want to read just a line from the 1900 Democratic platform which I want to emphasize today for our session:

We assert that no nation can long endure half republic and half empire.

A paraphrase from the immortal Lincoln.

I want to say that William Jennings Bryan left a wonderful impression on this country for peace and democracy. I saw him during my first campaign for the Legislature of the State of Kansas, which was his last campaign for the Presidency, in 1908.

I do not say that he should have been President, but I believe that the only thing that kept him from being President, with all his great oratorical ability and personal charm, was the fact that the radio was 30 years late.

The SPEAKER pro tempore. The time of the gentleman from Kansas has expired.

#### THE TAX BILL

Mr. ALLEN of Illinois. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER pro tempore. Is there objection?

There was no objection.

Mr. ALLEN of Illinois. Mr. Speaker, I am opposed to the Ways and Means tax bill because I believe it to be a rich man's bill. You ask me why? It provides no abatement or concession on taxes for 1942. It provides that if a taxpayer desires to get on a current basis by paying both 1942 and 1943 taxes during 1943 he is rewarded by being given a varying percent discount depending upon the time of payment.

The position of the mass of our people is that they want to get on a pay-as-you-go basis because it is financially impossible for them to maintain their families and pay 2 years' taxes in 1. If anyone questions that statement, you had better immediately contact your taxpayers back home.

If a citizen has sufficient money to take advantage of the Ways and Means Committee tax bill inducement of discount, one must have sufficient money to take care of both years without discount.

It is charged the Carlson plan benefits the wealthy. It is just the opposite. The Ways and Means Committee bill directly does this by rewarding the rich for paying 2 years in 1 while the middle and poorer classes have not sufficient funds to do so. In the rewarding of the wealthy they are given a percent reduction advantage much greater than the current percent of interest being paid by the Government for borrowed funds.

As a member of the Rules Committee I am going to demand an open rule instead of a "gag" rule on the tax bill. To do anything else would be repulsive to every sense of decency and responsibility to the people we represent. Above all, it is necessary that the membership of the House be given an opportunity to have a rule which will give them the op-

portunity to vote on the clear-cut issue between the Carlson pay-as-you-go plan and the Ways and Means Committee plan.

The SPEAKER pro tempore. The time of the gentleman from Illinois has expired.

#### RESIGNATION FROM COMMITTEE

The SPEAKER pro tempore laid before the House the following communication:

MARCH 19, 1943.

HON. JOHN W. McCORMACK,

Speaker pro tempore of the House of Representatives.

SIR: I hereby resign my position as a member of the Committee on Expenditures in the Executive Departments.

JOHN PHILLIPS.

The SPEAKER pro tempore. Without objection, the resignation is accepted. There was no objection.

#### ELECTION TO COMMITTEE

Mr. MARTIN of Massachusetts. Mr. Speaker, I offer a resolution (H. Res. 178), and ask for its immediate consideration.

The Clerk read the resolution, as follows:

Resolved, That JOHN PHILLIPS, of California, is hereby elected to the Committee on Agriculture.

The resolution was agreed to.

#### EXTENSION OF REMARKS

Mr. HÉBERT. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and include a newspaper editorial.

The SPEAKER pro tempore. Is there objection?

There was no objection.

#### THE TAX BILL

Mr. DOUGHTON. Mr. Speaker, I ask unanimous consent to proceed for 1 minute.

The SPEAKER pro tempore. Is there objection?

There was no objection.

Mr. DOUGHTON. Mr. Speaker, the gentleman from Illinois [Mr. ALLEN] seems to be very much exercised about what the Ways and Means Committee should do about the rule and also he denounces the tax bill as a rich man's bill. I think that discussion should very appropriately wait until the bill is brought up and until the report is available to the Members of the House, outlining the provisions of the bill. I think that could very appropriately wait.

If it is a rich man's bill, why are the rich men fighting it? We can debate that when we come to it. As far as the rule is concerned, the gentleman need not lose any sleep over that, because this morning the Ways and Means Committee decided to consider the bill under the general rules of the House. So I hope the gentleman can rest in peace as far as the merits of the bill are concerned until we bring it out and discuss it in open daylight and bring out all the facts on both sides.

The SPEAKER pro tempore. The time of the gentleman from North Carolina has expired.

[Mr. KNUTSON addressed the House. His remarks appear in the Appendix.]

## EXTENSION OF REMARKS

Miss STANLEY. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and include a statement of recommendations adopted at a conference of New York State farmers.

The SPEAKER pro tempore. Without objection, it is so ordered.

There was no objection.

Mr. BRYSON. Mr. Speaker, I ask unanimous consent to revise and extend my remarks and to include therein a letter.

The SPEAKER pro tempore. Without objection, it is so ordered.

There was no objection.

Mr. BELL. Mr. Speaker, I ask unanimous consent to make two extensions of remarks in the RECORD. First, to extend my remarks on the subject of two teachers and their help with rationing, and to include therewith an editorial from the Washington Star. Second, I desire to extend my remarks and include therein an address made by me over the radio on the work of the Committee on Insular Affairs.

The SPEAKER pro tempore. Without objection, it is so ordered.

There was no objection.

## PLIGHT OF JEWISH PEOPLE IN EUROPE

Mr. KEAN. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER pro tempore. Without objection, it is so ordered.

There was no objection.

Mr. KEAN. Mr. Speaker, we in the United States cannot but have the deepest sympathy for the plight of the Jewish population in Nazi-dominated Europe.

Our State Department has suggested to the British Government that a meeting be held in Ottawa to consider means for alleviating the situation of these helpless people, to which a favorable reply has been received.

I call upon our Government and the British Government for speed in their study of this serious problem.

Those who are murdered in the immediate future cannot be brought back to life.

Mr. Speaker, I ask unanimous consent to incorporate in my remarks a joint resolution of the New Jersey Legislature on this subject.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New Jersey [Mr. KEAN]?

There was no objection.

## EXTENSION OF REMARKS

Mr. GWYNNE. Mr. Speaker, I ask unanimous consent to extend my remarks and to include therein an editorial from the Marshalltown Times and Republican.

The SPEAKER pro tempore. Without objection, it is so ordered.

There was no objection.

## THE "LAME DUCKS"

Mr. BROWN of Ohio. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER pro tempore. Without objection, it is so ordered.

There was no objection.

Mr. BROWN of Ohio. Mr. Speaker, earlier in the week in my address on the subject of "lame ducks," I referred to former Congressman Will Rogers, of Oklahoma, as one of the members of that particular group. I have been informed that he was not a candidate for reelection due to the fact that his State had been redistricted, which took away the Congressman-at-large from that delegation. Therefore that part of my address on "lame ducks," where I referred to Mr. Rogers, should be eliminated.

Mr. KNUTSON. Will the gentleman yield?

Mr. BROWN of Ohio. Yes.

Mr. KNUTSON. Will the gentleman tell us what a "lame duck" is?

Mr. BROWN of Ohio. Yes. I defined a "lame duck" as a bird that had had its tail feathers kicked off as a result of the last election.

Mr. ANGELL. Mr. Speaker, I ask unanimous consent that at the conclusion of any other special orders I be permitted to address the House for 15 minutes today.

The SPEAKER pro tempore. Without objection, it is so ordered.

There was no objection.

## EXTENSION OF REMARKS

Mr. BUTLER. Mr. Speaker, I ask unanimous consent to extend my remarks and to include therein a speech delivered by Mr. Frank S. Columbus, before the Central Railway Club of Buffalo, March 11, 1943.

The SPEAKER pro tempore. Without objection, it is so ordered.

There was no objection.

Mr. LANE. Mr. Speaker, I ask unanimous consent to extend my remarks and to include therein a statement which I made to the Commodore John Barry Division Auxiliary, Ancient Order of Hibernians, on St. Patrick's Day, at the Mayflower Hotel, Washington, D. C.

The SPEAKER pro tempore. Without objection, it is so ordered.

There was no objection.

## PERMISSION TO ADDRESS THE HOUSE

Mr. BARRETT. Mr. Speaker, I ask unanimous consent to proceed for 1 minute and to revise and extend my remarks.

The SPEAKER pro tempore. Without objection, it is so ordered.

There was no objection.

Mr. BARRETT. Mr. Speaker, on Monday last, the President signed Proclamation No. 2578 creating the Jackson Hole National Monument. The lands included are located in the famous Jackson Hole country of Wyoming. It was published in the Federal Register yesterday, and this was the first notice Wyoming people had of this proclamation. By this proclamation there is set over to the Jackson Hole National Monument 221,000 acres of land formerly in the Teton National Forest. Included therein are 32,000 acres purchased and owned by the Rockefeller interests and 17,000 acres of privately owned lands. This body of land joins the Grand Teton National Park on the east, and comprises an area nearly twice as large as the park itself. By virtue of this order, these lands are excluded from

all forms of appropriation under the public-land laws. The purpose of this order is to enlarge the Grand Teton National Park. The Department of the Interior for many years has proposed legislation to enlarge this park. Because of the fact that no provision was made to offset the consequent loss of taxes to the people of Wyoming, Congress has repeatedly failed to pass such legislation. The position of Congress was so clear and unmistakable that no one could be in doubt as to its conclusion. By its action over the years, Congress made known to the Secretary of the Interior its attitude on this matter. In the face of the fact that Congress refused to sanction this legislation, we now find that there has been accomplished by indirection, the very thing Congress refused to do directly. This proclamation has been issued in pursuance of the act of Congress passed June 8, 1906, authorizing the creation of national monuments. It does not seem reasonable to me that Congress ever intended that a national monument should extend over a body of land comprising 221,000 acres, an area nearly one-third the size of Rhode Island. It is my contention that a matter of such vital importance to the people of Wyoming, whom I have the high honor to represent in this House, should have been submitted to Congress, and, most certainly, the people of Wyoming should have had the opportunity to be heard before this precipitate action was taken. The people of Teton County where this land is located will lose a considerable portion of their revenue, and no provision, whatsoever, has been made to offset this loss. The loss in revenue will be a serious blow to the people of Teton County. I have today introduced a bill to abolish the Jackson Hole National Monument created by this proclamation. The people of my State are entitled to be heard on this matter. No provision has been made to offset the loss of taxes to Wyoming. The intention of Congress to protect against this contingency is self-evident. No emergency exists justifying action of this character, contrary to the orderly process of government by law.

Mr. ANDERSON of California. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California [Mr. ANDERSON]?

There was no objection.

[Mr. ANDERSON of California addressed the House. His remarks appear in the Appendix.]

Mr. MARTIN of Massachusetts. Mr. Speaker, I ask unanimous consent that my colleague from Vermont [Mr. PLUMLEY] may be permitted to speak for 25 minutes next Tuesday after disposition of business on the Speaker's table and at the conclusion of any special orders heretofore entered.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Massachusetts [Mr. MARTIN]?

There was no objection.

Mr. MARTIN of Massachusetts. Mr. Speaker, I ask unanimous consent to proceed for 1 minute.



The SPEAKER pro tempore. Is there objection to the request of the gentleman from Massachusetts [Mr. MARTIN]?

There was no objection.

Mr. MARTIN of Massachusetts. Mr. Speaker, I take this time to clarify the program for the balance of this week and next, if I may. The bill which was to come up today has been deferred. I wonder if the Speaker can give us any information as to when it will likely come up?

The SPEAKER pro tempore. The Chair sees no possibility of the civil-functions bill coming up next week. Does that answer the question?

Mr. MARTIN of Massachusetts. Yes.

Mr. TABER. Will the gentleman yield?

Mr. MARTIN of Massachusetts. I yield to the gentleman from New York [Mr. TABER].

Mr. TABER. The tax bill probably will take until Monday or Tuesday of the following week, anyway?

The SPEAKER pro tempore. I understand general debate will take 4 days, which will bring it up to Monday the following week, and thereafter it will be taken up under the 5-minute rule.

Mr. MARTIN of Massachusetts. The bill that was to come up today will have to follow the tax bill?

The SPEAKER pro tempore. Yes. The Chair does not want to be committed that it will immediately follow the tax bill, but it will come afterward sometime.

#### EXTENSION OF REMARKS

Mr. JENSEN. Mr. Speaker, I ask unanimous consent to extend my own remarks in the Record and to include therein an editorial from the Council Bluffs Nonpareil, by A. M. Piper, relative to reciprocal trade agreements, in which he suggests two amendments which should be made to these agreements. I think it is very necessary that we start considering the problem of tariffs.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Iowa [Mr. JENSEN]?

There was no objection.

Mr. HEIDINGER. Mr. Speaker, I ask unanimous consent to extend my own remarks in the Record and to include a letter which I received from one of my constituents.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Illinois [Mr. HEIDINGER]?

There was no objection.

Mr. MUNDT. Mr. Speaker, I ask unanimous consent to extend my own remarks on the subject of the Post-War Planning Commission and to include a newspaper letter by Clarence J. Streik and other newspaper columnists.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from South Dakota [Mr. MUNDT]?

There was no objection.

#### THREATENED COAL STRIKE

Mr. WALTER. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Pennsylvania [Mr. WALTER]?

There was no objection.

Mr. WALTER. Mr. Speaker, I am sure that all of the Members share with me an apprehension over the possibility of a coal strike. Just recently a vice president of the War Labor Board announced he will not favor the raise of \$2 a day that the mine workers are demanding. The Director of the O. P. A. contends that a \$2 per day increase cannot be granted if inflation is to be prevented.

John Lewis has just announced that unless there is a contract entered into before April 1 containing a raise of \$2 per day the miners will not be permitted to go into the mines.

It seems to me that with ample notice of this impasse the President ought to immediately appoint an arbitration board, consisting of two members of the operators' group, two members of the United Mine Workers, and three citizens, one of whom should be Consumers' Counsel of the Bituminous Coal Commission, which should go to work on this problem immediately. Bear in mind that there are only a few days left before the 1st of April.

I do not know whether or not the gravity of this situation has gotten to the place where it should be known, but may I say that there is not on hand a supply of coal sufficient to keep in operation the munition plants, steel mills, defense plants, and railroads of this land for longer than 6 days, and it seems to me that this is the time for positive action.

#### A MESSAGE TO SOLDIERS ON ENTERING THE SERVICE

Mr. DISNEY. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER pro tempore. Without objection, it is so ordered.

There was no objection.

[Mr. DISNEY addressed the House. His remarks appear in the Appendix.]

Mr. DISNEY. Mr. Speaker, I ask unanimous consent to extend my own remarks and to include this article by Colonel Washburn.

The SPEAKER pro tempore. Without objection, it is so ordered.

There was no objection.

#### EXTENSION OF REMARKS

Mr. HAYS. Mr. Speaker, I ask unanimous consent to extend my own remarks in the Appendix of the Record and to include therein excerpts from an address I delivered last night in New York City.

The SPEAKER pro tempore. Without objection, it is so ordered.

There was no objection.

Mr. LARCADE. Mr. Speaker, I ask unanimous consent to extend my own remarks in the Record and to include a copy of a petition and memorial signed by Members of Congress.

The SPEAKER pro tempore. Without objection, it is so ordered.

There was no objection.

#### ADJOURNMENT OVER

Mr. RAMSPECK. Mr. Speaker, I ask unanimous consent that when the House

adjourns today it adjourn to meet on Monday next.

The SPEAKER pro tempore. Without objection, it is so ordered.

There was no objection.

#### STRIKING COAL MINERS

Mr. HOFFMAN. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my own remarks.

The SPEAKER pro tempore. Without objection, it is so ordered.

There was no objection.

Mr. HOFFMAN. Mr. Speaker, what the gentleman from Pennsylvania [Mr. WALTER] just said about this strike that John L. Lewis is going to use to close the coal mines of the country is all too true. Now, what are we going to do about it? What are you fellows on the majority side going to do about it? I see several leaders over there; I see a dozen leaders or more over there, including one in the chair. What are you going to do to stop that strike? Are you going to let it go on? Is the administration going to do anything to stop it? Or are war industries to be tied up, idle, for weeks?

Recently I introduced a bill which would reach this situation, if we could ever get the Labor Committee to do anything about it or report something out of the committee, or if the House would pass it. It would prevent this strike, because it provides that if those miners strike they shall have 10 days to get another job in some war industry. Then if they cannot find a job—you know I have always been in favor of reducing unemployment—if they cannot find a job then they are to go to their local draft boards and the military commander of the district will find them a job in some industry for the same pay the privates in the armed forces receive.

Mr. McMURRAY. Mr. Speaker, will the gentleman yield?

Mr. HOFFMAN. I know the gentleman wants to heckle me; what is it? He has been talking about it to other Members. I yield.

Mr. McMURRAY. I wish to remind the gentleman from Michigan that John L. Lewis is a Republican. I thought probably the gentleman would have some suggestions.

Mr. HOFFMAN. I do not care whether he is a Republican, a New Dealer, a Democrat, or a skunk, whoever is responsible for a coal strike now ought to be taken care of; and the gentleman ought to have patriotism enough to try to do something about it. He ought to be willing to aid in learning whether Lewis can stop war production.

The SPEAKER pro tempore. The time of the gentleman from Michigan has expired.

#### COLLECTION OF TAXES

Mr. CRAWFORD. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER pro tempore. Without objection it is so ordered.

There was no objection.

[Mr. CRAWFORD addressed the House. His remarks appear in the Appendix.]

# PERMISSION TO ADDRESS THE HOUSE

Mr. SHAFER. Mr. Speaker, I ask unanimous consent to proceed for 1 minute.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Michigan.

There was no objection.

Mr. SHAFER. It would hardly seem to be necessary to refresh the memory of the smiling and brilliant gentleman from Wisconsin [Mr. McMURRAY], who, in his short experience in this House, has heckled often but contributed little, that John L. Lewis donated approximately \$500,000 of United Mine Workers funds to the New Deal campaign in 1936, but switched his affections to Wendell Willkie in 1940 after the New Dealers failed to pay him off.

But that is not the reason why I have asked this brief period of time.

Today's newspapers state that the War Production Board has cited Henry Kaiser, the shipbuilder who has established an enviable record for production, for alleged priority violations.

Tell me, Mr. Speaker, what is more important, the winning of this war or for Kaiser to obey the whims and edicts of some embryonic-brained bureaucrat who probably would not recognize a boat unless it was first plainly labeled?

These bureaucratic crystal gazers are, in my opinion, the real saboteurs of our war effort. Here is a job for the Smith committee. Let us take off the strait jackets in every field, Mr. Speaker, and there will be no question about getting adequate production.

Mr. GIFFORD. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. GIFFORD. Mr. Speaker, the words have been taken out of my mouth by the gentleman from Michigan. I also intended to remind the gentleman from Wisconsin who, of course, is not evidently familiar with the past history of John Lewis, or else he desires to forget it—about that \$486,000. The gentleman from Michigan stated it as \$500,000. This was contributed by John L. Lewis to elect President Roosevelt. I reiterate what the gentleman from Michigan has said—

Mr. McMURRAY. Mr. Speaker, will the gentleman yield?

Mr. GIFFORD. I yield to the gentleman from Wisconsin.

Mr. McMURRAY. Is the gentleman talking about 1943?

Mr. HOFFMAN. Nineteen thirty-six; and they have not paid yet.

Mr. McMURRAY. Is it not true that Mr. Lewis was converted after those days in 1936 and joined the other side of the aisle?

Mr. GIFFORD. I do not know what he joined. I do not care what he joined or to what party he may belong. I want the gentleman from Wisconsin to know the facts of the case, and think it over carefully as to the ethics of it and

whether Lewis has a right to feel that our President is somewhat obligated.

Mr. SHAFER. Was not that used as a New Deal secret weapon?

The SPEAKER pro tempore. The time of the gentleman from Massachusetts has expired.

Mr. KEEFE. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

Mr. KEEFE. Mr. Speaker, it seems utterly amazing to me that the first contribution I have heard in this session from the distinguished gentleman from Milwaukee [Mr. McMURRAY] should be to ask the question he did ask on the floor of the House this afternoon. In the face of a problem confronting the Nation that is of such serious moment, his contribution to the solution of this threatened coal strike is to ask a Member, "Is it not a fact that John L. Lewis is a Republican?" The majority party responsibility apparently has not penetrated the mind of the new gentleman from Milwaukee. I hope that as time goes on the distinguished gentleman will realize that there is something in the work of this body besides smirks and laughter, and that responsibility as a Member of Congress on the majority side means something more than constantly exhibiting a "know it all attitude" and by injecting purely political propositions in serious debate in order to try to provoke a laugh and to attract attention that might not otherwise be accorded him.

The SPEAKER pro tempore. The time of the gentleman from Wisconsin has expired.

Mr. STEWART. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

Mr. STEWART. Mr. Speaker, I think some of the Members of Congress have brought to our attention a question that is of momentous importance. Without injecting personal feeling into the matter, may I say that I believe we all should concern ourselves with the threatened coal strike, with only 6 days' supply of coal on hand to run the war industries of this Nation. I think this one subject should be given our entire thought and study and everything else held in abeyance until we have arrived at a permanent fixed decision in this respect. No man or set of men should have a single advantage over our fighting forces. It is time to act.

The SPEAKER pro tempore. The time of the gentleman from Oklahoma has expired.

## THE PROBLEMS OF AGRICULTURE

Mr. BENDER. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Ohio?

There was no objection.

[Mr. BENDER addressed the House. His remarks appear in the Appendix.]

## EXTENSION OF REMARKS

Mr. BENDER. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and include therein a letter.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Ohio?

There was no objection.

## PERMISSION TO ADDRESS THE HOUSE

Mr. RANKIN. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

[Mr. RANKIN addressed the House. His remarks appear in the Appendix.]

## AGRICULTURE AN ESSENTIAL WAR INDUSTRY

Mr. FULMER. Mr. Speaker, I ask unanimous consent for the present consideration of House Concurrent Resolution 12, which I send to the desk and pending that request I ask unanimous consent that the report, which is short, and the resolution be read for the information of the Members.

The SPEAKER pro tempore. The gentleman from South Carolina asks unanimous consideration of House Concurrent Resolution 12, which the Clerk will report.

The Clerk read the report and resolution as follows:

## STATEMENT

The Committee on Agriculture for many months has been giving considerable consideration to the operations of the various agencies connected with our war efforts—the War Production Board, War Manpower Commission, Office of Price Administration, Selective Service System, and the Department of Agriculture.

We find either these various agencies have not fully realized the importance of agriculture in connection with our war efforts or they have not given to the farmers of this country anything like fair treatment in connection with the administration of the war program relating to farm prices, farm equipment, materials, supplies, and manpower. The committee finds that all of these agencies are, and have been, operating without any definite, coordinated program.

Realizing the serious situation confronting the farmers of the country and our war program and the importance of agriculture being placed on an equal basis with our armed forces and war industries, we feel it is important that the Congress make a definite declaration of its policy concerning these matters, and therefore report favorably House Concurrent Resolution 12.

## House Concurrent Resolution 12

Resolved by the House of Representatives (the Senate concurring), That it is the sense of the Congress that—

(1) The production of adequate supplies of food, feed, and fiber is as essential to the



successful prosecution of the war as the production and manufacture of actual munitions of war;

(2) Farmers are handicapped in obtaining farm equipment, materials, manpower, and supplies that are needed in order to produce enough food, feed, and fiber to meet the requirements of the war food production program; and

(3) The authorities responsible for the allocation of critical material, manpower, and supplies in giving consideration to the needs of farmers and of the persons who supply farmers with equipment, materials, and supplies must consider the needs of farmers to be of equal importance to the needs of war industries.

It is further the sense of the Congress that the Congress should, and it hereby does, commend the farmers of the United States for the manner in which they have shown their patriotism in response to the many demands that have been made upon them to aid in the effective prosecution of the war.

The SPEAKER pro tempore. Is there objection?

Mr. SABATH. Mr. Speaker, I reserve the right to object. This resolution is pending before the Rules Committee, is it not?

Mr. FULMER. No; it is not. The resolution was reported unanimously on yesterday by our committee, and I understand there is no objection to the passage of same.

Mr. SABATH. What is the aim of the resolution, what is its purpose, what does it purport to do?

Mr. FULMER. The resolution has just been read for the information of the gentleman and the House, but I may state that out of an investigation of our committee, and the special committee of 48 members representing every State in the Union, we find that agriculture has not been given that consideration which it is entitled to, by the War Production Board and other war agencies, and this resolution simply puts the Congress on record that Congress demands for agriculture equality, and to be considered in connection with our war effort equal in importance with war industry to the extent that we may be able to continue to produce food and fiber necessary to win this war as well as the peace.

Mr. SABATH. Does the gentleman think it is necessary to pass a resolution, in view of all the legislation we have enacted of late to help the farmers, and in view of the fact that we are about to call up for consideration the Pace bill, which is legislation in the interest of the farmers and agriculture? I do not think it is necessary to do any more than pass that bill. Verbiage alone, or talking about it, is not as important as acting.

Mr. FULMER. I appreciate that, and that is what we have been trying to do, but we would like to have behind our efforts the policy of Congress.

Mr. COOLEY. Mr. Speaker, will the gentleman yield?

Mr. FULMER. Yes.

Mr. COOLEY. May I suggest to the gentleman from Illinois that the purpose of this resolution is to emphasize the importance of agriculture in the war effort and to commend the farmers for

their magnificent and splendid contribution?

Mr. SABATH. We are doing that very thing by passing beneficial agricultural legislation.

Mr. VOORHIS of California. Mr. Speaker, will the gentleman yield?

Mr. FULMER. Yes.

Mr. VOORHIS of California. I think there is a further answer—namely, that there are many decisions being made with regard to the problems of agriculture that are not in the hands of Congress any longer. For example, there is the decision that something less than 1 percent of available steel shall be devoted to the production of farm machinery. My thought is that this will give notice that it is the opinion of Congress that agriculture is an industry just as essential as anything else.

Mr. FISH. Mr. Speaker, I reserve the right to object, to ask the Chairman if this is just another pious resolution. Nothing practical has been done, so far, to help the farmers. Is the gentleman just asking us to vote for this pious resolution and be content with that?

Mr. FULMER. I am very glad that the gentleman from New York has brought up that question. I wish that he had propounded the question to his colleague from Kansas [Mr. HOPE] who is a distinguished member of the Committee on Agriculture. What we want to do is to call to the gentleman's attention our efforts in behalf of the farmers of the country and what we are up against with the unfair attitude of the war agencies toward the farmers of this country and we would like to have the Congress back us up with a definite policy.

Mr. FISH. Mr. Speaker, I am absolutely sure that if this Congress does not do something to help the farmers, there will be a food shortage.

Mr. COOLEY. And may I say to the gentleman from New York, that immediately after the adoption of the pending resolution the gentleman will have a fine opportunity to do something for the farmer by voting for the Pace bill, which will immediately follow.

Mr. HOPE. Mr. Speaker, will the gentleman yield?

Mr. FULMER. I yield to my friend from Kansas.

Mr. HOPE. Is it not a fact that the adoption of this resolution by Congress will put this body on record as showing what obviously is the fact, that agriculture is a war industry, but that it has not been treated as a war industry by many of the boards and various commissions which have a very great deal to do with the ability of agriculture to function as a war industry?

Mr. FULMER. The gentleman is absolutely right.

Mr. HOPE. Does not the gentleman think the adoption of this resolution stating as it does the sentiment of Congress will have a salutary effect on some of these boards and commissions when it comes to considering matters of vital interest to agricultural production?

Mr. FULMER. I agree with the gentleman fully in that and that is the purpose of the resolution.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from South Carolina?

There was no objection.

The SPEAKER pro tempore. The question is on agreeing to the resolution.

The resolution was agreed to and a motion to reconsider the vote by which the resolution was agreed to was laid on the table.

#### EXTENSION OF REMARKS

Mr. WOODRUFF of Michigan. Mr. Speaker, I ask unanimous consent to extend my remarks in the Record and include therein an article by Mr. Mark Foote.

The SPEAKER. Is there objection?

There was no objection.

Mr. WOODRUFF of Michigan. Second, Mr. Speaker, also, I ask unanimous consent to extend my remarks and include an article by John T. Flynn.

The SPEAKER pro tempore. Is there objection?

There was no objection.

Mr. FULMER. Mr. Speaker, I have two requests to make. I ask unanimous consent that I may include in my remarks the report on House Concurrent Resolution 12, which has just been adopted.

The SPEAKER pro tempore. Is there objection?

There was no objection.

Mr. FULMER. Also, Mr. Speaker, I ask unanimous consent to extend my remarks and include a short editorial.

The SPEAKER pro tempore. Is there objection?

There was no objection.

Mr. HOPE. Mr. Speaker, I ask unanimous consent to extend my remarks in the Record and include resolutions recently adopted by the Kansas State Livestock Association.

The SPEAKER pro tempore. Is there objection?

There was no objection.

Mr. O'KONSKI. Mr. Speaker, I ask unanimous consent to extend my remarks in the Record and include therein a statement and a letter.

The SPEAKER pro tempore. Is there objection?

There was no objection.

#### MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Frazier, its legislative clerk, announced that the Senate had passed without amendment a joint resolution of the House of the following title:

H. J. Res. 83. Joint resolution to permit additional sales of wheat for feed.

The message also announced that the Senate agrees with an amendment to the amendment of the House to a bill of the Senate of the following title:

S. 677. An act to amend the National Housing Act, as amended.

#### AMENDMENT OF AGRICULTURAL ADJUSTMENT ACT

Mr. SABATH. Mr. Speaker, I call up House Resolution 157, and ask for its immediate consideration.

The Clerk read as follows:

Resolved, That immediately upon the adoption of this resolution it shall be in order

to move that the House resolve itself into the Committee of the Whole House on the state of the Union for the consideration of the bill (H. R. 1408) to amend section 301 (a) (1) of the Agricultural Adjustment Act of 1938, as amended, and the first sentence of paragraph (1) of section 2 of the Agricultural Adjustment Act of 1933, as amended, and as reenacted and amended by the Agricultural Marketing Agreement Act of 1937, approved June 3, 1937, as amended, so as to include the cost of all farm labor in determining the parity price of agricultural commodities. That after general debate, which shall be confined to the bill and shall continue not to exceed 2 hours, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Agriculture, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the reading of the bill for amendment, the Committee shall rise and report the same to the House with such amendments as may have been adopted and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

#### CALL OF THE HOUSE

Mr. ARENDS. Mr. Speaker, I make the point of order that there is no quorum present.

The SPEAKER pro tempore. Evidently there is no quorum present.

Mr. RAMSPECK. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 28]

Andrews	Gibson	McMurray
Baldwin, Md.	Guyer	Magnuson
Barry	Hagen	May
Bennett, Mich.	Hall	Merritt
Bloom	Leonard W.	Newsome
Bradley, Pa.	Harless, Ariz.	Nichols
Buckley	Hart	O'Brien, N. Y.
Burch, Va.	Heffernan	O'Toole
Burchill, N. Y.	Hinshaw	Pfeifer
Byrne	Hobbs	Philbin
Camp	Hoch	Reece, Tenn.
Cannon, Fla.	Jarman	Satterfield
Capozzoli	Jennings	Scanlon
Celler	Jonkman	Sheridan
Cochran	Kee	Somers, N. Y.
Colmer	Keogh	Stearns, N. H.
Culkin	King	Talbot
Curley	Kleberg	Taylor
Dawson	Klein	Thomas, N. J.
Dickstein	LaFollette	Treadway
Dingell	Lane	Vinson, Ga.
Dondero	LeFevre	Wadsworth
Douglas	Lesinski	Wasielewski
Fay	Lewis, Colo.	Weiss
Feighan	Luce	Wene
Fellows	Lynch	White
Fogarty	McGehee	Winter
Furlong	McGranery	Woodrum, Va.
Gamble	McGregor	
Gavagan	McLean	

The SPEAKER pro tempore. Three hundred and forty-seven Members have answered to their names. A quorum is present.

By unanimous consent, further proceedings, under the call, were dispensed with.

#### THE TAX BILL

Mr. DOUGHTON. Mr. Speaker, I ask unanimous consent that when the House proceeds to the consideration of H. R. 2218—the tax bill—general debate on the bill to continue for not to exceed 4 days and to be confined to the subject matter of the bill, the time to be equally divided and controlled by myself and the ranking minority member of the Committee on Ways and Means, and that in connection

with the report on the bill, clause 2a of rule XIII be waived.

The SPEAKER. Is there objection to the request of the gentleman from North Carolina?

Mr. FISH. Mr. Speaker, reserving the right to object, I would like to ask the gentleman from Minnesota [Mr. Knutson], representing the minority on the Ways and Means Committee, if this has been discussed with him and if it has been discussed with the minority leader, the gentleman from Massachusetts [Mr. Martin]?

Mr. KNUTSON. It has been discussed with the minority members of the committee, I will say to the gentleman. The gentleman from Massachusetts [Mr. Martin] does not have any objection that I know of.

The SPEAKER pro tempore. Is there objection?

Mr. SABATH. Reserving the right to object, what is the request of the gentleman from North Carolina?

The SPEAKER pro tempore. The gentleman from North Carolina asked unanimous consent that, in connection with the tax bill, the debate shall continue for not more than 4 days, to be confined to the bill, and one-half the time to be controlled by the gentleman from North Carolina [Mr. Doughton] and one-half by the ranking minority member of the Committee on Ways and Means; and that certain provisions of the rules be waived, which is the so-called Ramseyer rule, as the Chair understands it. Is that correct?

Mr. DOUGHTON. That is correct, Mr. Speaker.

Mr. SABATH. Mr. Speaker, will the gentleman yield?

Mr. DOUGHTON. I yield.

Mr. SABATH. As I understand, it is proposed to take up this bill for general debate, which is to continue for 4 days, beginning next Thursday. Unfortunately, several Members cannot be here a few days thereafter when the bill will be considered under the 5-minute rule. I wonder whether the gentleman will not agree to make it possible for those six or eight Members who will be absent to have an opportunity to vote, so that the vote will not be taken on the 6th of next month?

Mr. KNUTSON. Can the gentleman not vote by mail?

Mr. SABATH. We do not do it like you do out your way.

Mr. KNUTSON. Of course, you cannot repeat by mail.

Mr. DOUGHTON. In reply to the request of the distinguished gentleman from Illinois, I do not know exactly what to say. If the full time for debate is occupied, we will not conclude the debate until Monday. How long will be consumed under the 5-minute rule, I do not know.

Mr. KNUTSON. We will not get to a vote until Wednesday, in any event.

Mr. DOUGHTON. I do not think we could reasonably expect to reach a vote before Wednesday. Of course, I do not have any control over that.

Mr. SABATH. There are six or seven Members who will be absent on the 6th.

Mr. DOUGHTON. Can the gentleman give us any assurance if we postpone the vote that some other Member will not be absent at that time?

Mr. KNUTSON. We will try to delay matters as long as we can under the rules of the House.

Mr. SABATH. I have no objection to the request of the gentleman.

Mr. MICHENER. Reserving the right to object, Mr. Speaker, we have not been able to hear the colloquy. May I ask the Speaker to again state the unanimous consent request?

The SPEAKER pro tempore. The Chair understands the unanimous consent request is to the effect that the debate on the tax bill shall be confined to not more than 4 legislative days, the debate to be confined to the bill, and the time to be equally divided between the majority and minority sides, and that the Ramseyer rule be waived, that is, necessity for complying with the Ramseyer rule be waived.

Is there objection?

There was no objection.

Mr. DOUGHTON. Mr. Speaker, I ask unanimous consent that I may have until midnight tonight to file a majority report on the tax bill.

Mr. MICHENER. Reserving the right to object, Mr. Speaker, will the gentleman restate that part of his request?

Mr. DOUGHTON. That the minority may have until Monday night to complete its report.

Mr. KNUTSON. And that the reports be printed separately.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from North Carolina?

Mr. FORD. Reserving the right to object, Mr. Speaker, I want to ask exactly what effect the waiving of the Ramseyer rule on this particular bill will have?

The SPEAKER pro tempore. In order to comply with the Ramseyer rule, as the chairman has stated, the committee would have to print in its report the entire tax law, Internal Revenue Code.

Mr. COOPER. Mr. Speaker, will the gentleman yield?

Mr. FORD. Yes.

Mr. COOPER. It simply means that if the Ramseyer rule is complied with strictly and technically, the committee report on the bill would have to include the entire Internal Revenue Code in its printed report.

Mr. KNUTSON. Mr. Speaker, reserving the right to object, will the gentleman from North Carolina amend his motion so as to provide that the minority may have until Monday midnight to file its report, because we are not anywhere near through with our work?

Mr. DOUGHTON. I will try to do so. Mr. Speaker, I will restate my unanimous-consent request that I may have until midnight tonight to file the majority report on the tax bill, and that the minority may have until midnight Monday to file its report.

Mr. KNUTSON. And that the reports be printed separately?

Mr. DOUGHTON. Yes; certainly.

Mr. KNUTSON. For the convenience of the Members?



Mr. DOUGHTON. Yes.

The SPEAKER pro tempore. The gentleman from North Carolina asks unanimous consent that the majority members on the committee may have until midnight tonight to file a report on the tax bill and that any members of the committee desiring to make a minority or supplemental report, I assume—

Mr. KNUTSON. A minority report.

The SPEAKER pro tempore. A minority report—will have until Monday next and that the reports be printed separately.

Mr. KNUTSON. Until midnight Monday.

The SPEAKER pro tempore. Is there objection to the request?

There was no objection.

#### EXTENSION OF REMARKS

Mr. LUTHER A. JOHNSON. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and to include an article from the Washington Evening Star.

The SPEAKER pro tempore. Is there objection?

There was no objection.

(Mr. WOODRUFF of Michigan asked and was given permission to extend his remarks in the RECORD.)

Mr. SHAFER. Mr. Speaker, I have two unanimous-consent requests: One, that I may be permitted to revise and extend the remarks I made this morning in the RECORD; and, second, to extend my remarks in the RECORD and to include therein a newspaper article.

The SPEAKER pro tempore. Is there objection?

There was no objection.

#### AMENDMENT OF AGRICULTURAL ADJUSTMENT ACT

The SPEAKER pro tempore. The gentleman from Illinois [Mr. SABATH] is recognized.

Mr. SABATH. Mr. Speaker, later on I shall yield 30 minutes to the gentleman from New York [Mr. FISH] on the rule.

This rule provides for 2 hours general debate and makes in order H. R. 1408, the well-known Pace bill. If I am not mistaken, the Pace bill passed the House by unanimous consent in the last session of Congress, but failed to obtain consideration in the other body. In the first place, I want to state to the House that I was not responsible for raising a point of order that a quorum was not present. I do not wish to inconvenience any Member in leaving his office to respond to a quorum call, appreciating how busy all of us are, because I have not a great deal to say with the exception that I feel honor bound to explain my position. As chairman of the Rules Committee it has been my policy and I have made the pledge that all bills reported by standing legislative committees shall receive consideration from the Rules Committee so that the membership of the House will not be deprived of the right to pass on or to vote on any of these measures. Therefore, I am indeed gratified that so far the Rules Committee has acted in accordance with that policy. That is the reason this rule is before us. In the absence of the gentleman from Mississippi [Mr. COLMER] a member of the Rules Committee to

whom I gave this rule to present to the House, I am calling up the rule myself, regretting exceedingly that the gentleman from Mississippi is unavoidably absent and denied the pleasure of presenting this rule, especially in view of the very deep interest that he has displayed in obtaining favorable action on this resolution for a rule on the pending bill and in connection with all agricultural legislation.

The bill that this rule makes in order provides that all labor costs shall be taken into consideration when parity is fixed. Of course, there are many people who are under the impression that in view of the fact that other measures aiding agriculture have been passed heretofore this legislation will unnecessarily increase the cost of living. Personally, I have always favored any man, regardless of where he is employed, being fairly compensated, consequently I cannot oppose or object to this bill. I will ask that the rule be adopted and the Members be given an opportunity to vote on this bill in the interest of agriculture on the one side and also from the standpoint of the consumers on the other side.

From what I can learn, I feel there will be no opposition to the rule and there should not be because the proposed legislation has been before the House in the last Congress and Members are entitled to vote on it now according to their dictates and judgment of the bill. Only a few days ago we passed a bill reported from the Committee on Banking and Currency known as the Steagall bill, which provides that no subsidy payment, parity payment, conservation payment, incentive payment, or payment in any other form or by any other term described shall be deducted in establishing, maintaining, or adjusting maximum prices or in determining parity or comparable prices for any agricultural commodity or for any commodity processed or manufactured in whole or in substantial part from any agricultural commodity.

In view of the passage of that bill which should extend substantial benefits to the farmer, I feel that there is a danger that the pending bill may not receive favorable consideration when it reaches the other body because the Senate has passed a similar bill.

Further, I am informed that there is a possibility that this bill, if enacted, in view of the passage of three other beneficial agricultural bills, all aiming to increase the cost of living, may be vetoed by the President who desires to prevent unnecessary inflation and unnecessary high cost of living.

Mr. RANKIN. Will the gentleman yield?

Mr. SABATH. I yield to the gentleman from Mississippi.

Mr. RANKIN. So far as raising the price of cotton is concerned, this bill will have practically no effect on the ultimate consumer. The average cotton farmer who plows and hoes in the hot sun now does not make as much a day as the coal miners are now asking that their wages be raised.

Mr. SABATH. I fully appreciate what the gentleman from Mississippi states.

The only thing that worries me is the inflation that might be brought about by this and other farm aid bills which we have passed in the past few days, and also the unnecessary high cost of living to millions of wage earners in the cities who are not in any way as in good position as the farmers, with the exception of those who are employed in war industries, to stand an increased cost of living. We have between fifteen and twenty million people who unfortunately, are not organized, and do not receive high wages. Our attention has been called to them, but there are some Members who never see fit to vote for legislation that would make it possible for the millions of white-collar wage earners to earn sufficiently so that they can provide a decent living for themselves and their families.

Mr. O'CONNOR. Will the gentleman yield?

Mr. SABATH. I yield to the gentleman from Montana.

Mr. O'CONNOR. I know the distinguished gentleman from Illinois wants to be fair to the farmer.

Mr. HOFFMAN. Wants to be? Is.

Mr. O'CONNOR. And is. I want to ask the gentleman if he knows of any industry in the United States, other than the farming industry, that does not include the cost of its labor in the production of the article which it sells to the public?

Mr. SABATH. No; I do not. They all add everything they can to the cost of production, and much more.

Mr. O'CONNOR. Including labor and depreciation?

Mr. SABATH. Yes; depreciation and everything possible—cost and overhead.

The gentleman and I will not quarrel on that; I will agree with him.

Mr. O'CONNOR. Then the distinguished gentleman ought to want to see the farmer include the cost of labor in the cost of producing the foodstuffs we are going to need to win this war.

Mr. SABATH. I am indeed unfortunate that I have not the ability at all times to explain my position as clearly as I should. I was under the impression that I made it clear that I had no objection to farm labor's receiving fair compensation and that I do not think it is out of the way that the farmer should be permitted to add the cost of his labor to the cost of the things he produces.

Mr. O'CONNOR. That is fine.

Mr. SABATH. The only point I make, Mr. Speaker—and I hope the membership will bear with me and give it serious consideration—is that we must not lose sight of the fact that there is now the danger of inflation. I for one should dislike very much to see us place our country in the unfortunate condition other countries found themselves in during the last war by reason of reckless expenditures whereby their money became worthless. Up to now the American dollar has been recognized at its full value all over the world notwithstanding the fears entertained by the Republicans early in this Administration.

Mr. HOFFMAN. Mr. Speaker, will the gentleman now yield?

Mr. SABATH. I yield.

Mr. HOFFMAN. The gentleman expresses the fear of inflation. What does the gentleman think will be the effect on inflation when Lewis gets this additional \$2 a day for all of his miners on April 1? Is not that going to cause inflation?

Mr. SABATH. I am not especially interested in Mr. Lewis, like some of the gentlemen on that side are.

Mr. HOFFMAN. Neither am I; neither am I.

Mr. SABATH. The gentleman from New York, I believe it was, said he was fearful that the Democratic Party would not repay Lewis the money he contributed in 1936 to the Democratic campaign.

Mr. HOFFMAN. Let us forget politics for just a moment; let us talk about inflation.

Mr. SABATH. I know; but he raised that point. I wonder why he and the Members on that side are so much interested in Mr. Lewis. Since he has been cooperating with you perhaps you may have more influence with him than we, because he is your baby now and has been for about 6 years. You may be able to do things with Lewis that we cannot do.

Mr. HOFFMAN. You must aid us.

Mr. SABATH. He is your baby.

Mr. HOFFMAN. He may be our baby, but you fellows over there have the votes; you have votes that we do not have.

Mr. SABATH. But is it not a fact that you maintain control of the House with the aid of a few on our side?

Mr. HOFFMAN. But you gave him to us all messed up and we do not like him any better than you did.

Mr. SABATH. No; and certainly I do not blame the gentleman. We are at war; we are at war, and we need the co-operation of all. I hope that these men he has been able to control will not listen to his demand of \$2 a day increase. Perhaps they do need an increase, but I do feel that if the cost of living continues to increase as may be expected to result from the passage of these bills which we have acted upon in the last few days then they will need an increase of their wages. Further, I wish to direct attention to the fact that miners are employed in the most hazardous occupation and up to a few years ago were held in virtual serfdom by the coal operators and were unable to get out of their clutches.

Mr. Speaker, if the increase in the cost of living continues the wage earner will be unable to exist upon his present wages. That is the reason I say I fear inflation. Demands will not only be made by the miners, but other labor groups, based on the argument that they cannot exist upon the present wage. That does not apply to the war workers who are making a dollar and a half or two dollars an hour, but it does apply to the 15 or 20 million people who as I have stated before are not members of organized labor and who are not receiving these high wages or salaries.

Mr. HOFFMAN. Mr. Speaker, will the gentleman yield?

Mr. SABATH. Certainly.

Mr. HOFFMAN. I can agree with the gentleman on that. One way to take

care of these unreasonable increases of wages and salaries is to pass the bill I offered in 1940 to fix the price of everything.

Mr. SABATH. All right; it is easy enough to introduce bills and resolutions but let me remind the gentleman that most of them are introduced only for the purpose of obtaining a little publicity.

I am sorry I cannot yield further because I have promised the balance of my time to the gentleman from Georgia [Mr. PACE] who, for 2 years, has worked to obtain this legislation and I feel he is entitled to be heard on what this bill seeks to accomplish. Perhaps he will explain also that this bill and the Steagall bill will not increase the cost of living to the point where there should be a general demand for an increase of wages. With this I conclude my remarks.

Mr. SABATH. Mr. Speaker, I now yield 30 minutes to the gentleman from New York [Mr. FISH].

Mr. FISH. Mr. Speaker, I yield to the gentleman from Galena [Mr. ALLEN] as much time as he may desire, to reply to the very fine explanation of the bill made by the gentleman from Chicago.

Mr. ALLEN of Illinois. Mr. Speaker, I ask unanimous consent to speak out of order.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. ALLEN of Illinois. Mr. Speaker, earlier in the day I mentioned that the Ways and Means tax bill is a tax bill for the rich. This statement was challenged by my good friend the chairman of the Committee on Ways and Means [Mr. DOUGHTON]. The Ways and Means Committee tax bill provides that if you pay 2 years' taxes in 1 you will receive a reduction in your taxes up to as high as 6 percent. Only the rich can do this. The poor people and the middle classes, not being able to pay 2 years' taxes in 1, will have to pay the full amount. This would mean that someone who had to pay \$300,000 taxes a year would save 6 percent—\$18,000 a year. I want the Members to go into that matter thoroughly. I am sure if you do so you will be convinced that the bill as reported by the Committee on Ways and Means will be of great benefit to the rich taxpayers, whereas the Carlson bill, a pay-as-you-go measure, will not be of any more benefit to the wealthy than to the poor and middle classes.

Mr. EBERHARTER. Mr. Speaker, will the gentleman yield?

Mr. ALLEN of Illinois. I yield to the gentleman from Pennsylvania.

Mr. EBERHARTER. As I understand the Ruml plan, the man who would save \$18,000 in taxes under the committee bill would under the Ruml plan save \$300,000, because he would not have to pay a cent of that \$300,000. In other words, he might save \$18,000 by paying his taxes promptly under the committee bill, but if the Ruml plan were adopted he would save the entire \$300,000.

Mr. ALLEN of Illinois. I do not agree with that principle.

Mr. EBERHARTER. Is not the \$300,000 forgiven?

Mr. ALLEN of Illinois. No; I do not believe so.

Mr. EBERHARTER. The gentleman does not think so?

Mr. ALLEN of Illinois. No.

In regard to the bill under discussion, the Pace bill, may I say that I do not yield to anyone in regard to helping agriculture. I am proud to be classified as a member of the so-called farm bloc. I remember back in 1933 when prices were very low and the President of the United States, 10 years ago this month, perhaps a little earlier, called here the agricultural leaders of the United States and told them to go ahead and write a sound farm policy, saying that he would go through with it and use his every effort to make it the law of the land.

My good friend, the able and learned Ed O'Neal, president of the Farm Bureau, and my good friend the able and learned Earl Smith of the Farm Bureau of the State of Illinois, were among those who came here and recommended to the President of the United States a certain formula of parity. At that time every agricultural leader was in favor of this present parity, which has operated over the past 10 years. There was no national farm leader who did not believe in the parity which now exists. There was none who was in favor even under those low prices of including farm labor. Why there has been a change of opinion on the part of these gentlemen since that time I do not know.

I do know that during the years 1941 and 1942 more crops were raised in this country than ever before in our history. I also know that the prices of the farmers now are equitable. I believe sincerely that adding the farm labor cost to parity would be a step toward inflation. Senator Byrnes, to whom President Roosevelt has given the great and responsible job of keeping the economic structure of our country in the best order possible, has many times come out as opposed to this step.

I do not believe this would be of continued benefit to the farmer. Many farmers and agricultural leaders believe it would ultimately be detrimental to the best interests of the farmers. On the other hand, I believe the farmers are getting good prices for their products. I worry about the city white-collar workers who go to the meat markets and the grocery stores and pay the high prices they are now paying. I wonder whether it would be right and fair to add this cost to what the housewives pay at the grocery and the butcher shops now.

I do not believe the farmers are particularly worrying about higher prices. The mail I receive in every instance is in regard to receiving farm machinery and farm help. I cannot recall of one instance when I received a letter stating that the writer wanted higher prices for his farm products.

Mr. PACE. Mr. Speaker, will the gentleman yield?

Mr. ALLEN of Illinois. I yield to the gentleman from Georgia.

Mr. PACE. Is it not true that the gentleman's constituency, those for whom he speaks this afternoon, are the ones



who are protesting most bitterly on account of the present price of corn and the deduction of payments in the calculation of those prices?

Mr. ALLEN of Illinois. I am very much opposed to the ceiling they have put on corn. If passed, this bill would not be of benefit to the corn producer because of the ceiling the O. P. A. has placed on corn, which unquestionably is unfair and unwise.

Mr. PACE. I differ with the gentleman. It certainly would correct the condition about which the gentleman complains to the extent of adjusting the corn price up to the present parity price.

Mr. ALLEN of Illinois. Maybe a small percentage of the corn area would be benefited, but it would be only a small part.

Mr. ARENDS. Mr. Speaker, will the gentleman yield?

Mr. ALLEN of Illinois. I yield to the gentleman from Illinois.

Mr. ARENDS. May I say to the gentleman that if it were not for the artificial means by which they are keeping down the price of corn, I do not believe there would be much complaint from the corn farmer as to the present price of corn. However, the absurdity of the price of corn being held down even though there is a demand, and then taking payments from the Government to compensate for the difference between parity and what they are now getting, is apparent. It seems foolish on the face of it.

Mr. PACE. I agree with the gentleman on that.

Mr. ARENDS. I think we should do something about taking off the parity on corn so the farmer will get parity at the market place at home.

Mr. PACE. This will help correct it. Miss SUMNER of Illinois. Mr. Speaker, will the gentleman yield?

Mr. ALLEN of Illinois. I yield to the gentleman from Illinois.

Miss SUMNER of Illinois. I am disturbed about the fact that we do not have before us the Brown bill, which was reported by the Committee on Banking and Currency. It is a repetition of the price control feature that was in the original bill reported out by the Committee on Banking and Currency as an amendment to the price control bill. It was supported on the floor of this House and afterwards changed in the Senate. That is the Brown bill. It would force the O. P. A. to raise the prices of these farm products. That bill is before the Committee on Rules. I cannot understand why that committee would bring out this bill, which will not necessarily bring us a higher price because it does not impose any obligation on the O. P. A. to raise ceilings.

Mr. ALLEN of Illinois. I agree with the gentleman.

Miss SUMNER of Illinois. What does the gentleman mean by that? Is the chairman refusing hearings?

Mr. ALLEN of Illinois. We have been very busy, meeting every morning in the Rules Committee, but I do believe that eventually we will get to it.

Miss SUMNER of Illinois. And will the Brown substitute be in order to the bill?

Mr. ALLEN of Illinois. In my opinion it would.

Mr. Speaker, in my opinion, this is merely a political expedition. With Mr. Byrnes being opposed to it and he having the responsibility of keeping our economic structure in the best order, naturally it will receive the Presidential veto. I am opposed to this bill because I believe it will ultimately, if passed, be detrimental to the best interests of the farmer. The reputable newspaper, *Prairie Farmer*, in writing about this measure on March 6, had this to say:

Considerable difference of opinion has arisen between farm groups over the Pace bill now before Congress. This bill would amend the definition of parity for farm prices to include in the formula family and hired farm labor costs at the rate of the national average wage for hired farm labor.

While the amended formula would bring some immediate increase in the price of farm products, we are doubtful that it would mean a higher parity price over a period of years. It is possible that it would result in a lower parity price in the future when we will be worrying more about low prices.

It is our further contention that the farm groups would do well to drop their argument over the Pace bill and devote their attention and energies to getting a fair application of present laws, and in less hectic times fight together for a new conception of parity on the basis of equality.

Mr. MICHENER. Mr. Speaker, will the gentleman yield?

Mr. ALLEN of Illinois. Yes.

Mr. MICHENER. I am interested in the gentleman's statement as to the opposition of the farm organization he has named. However, every farm organization in the country, every leader of a farm organization in the country, with the exception of the leader of the farm organization living in the gentleman's own State of Illinois, is in favor of this bill. Is not that so? The gentleman from Illinois [Mr. ALLEN] is always effective in debate, he is always courageous, and he has made a splendid fight in this case considering the facts with which he is confronted.

Mr. ALLEN of Illinois. I would say "Yes" in the main, but I also say this, in conclusion, that I admire that farm leader from the State of Illinois, Earl Smith, because, while he differs from the others it is true, he is the only one who has been consistent. He came down here 10 years ago, and he did not believe in including farm labor in the parity formula. He has not changed his opinion since that time, and I believe that he is not going to change it in the future. I believe the future will conclusively prove that he is right.

I yield back the remainder of my time.

Mr. FISH. Mr. Speaker, I yield 5 minutes to the gentleman from Illinois [Mr. DIRKSEN].

Mr. DIRKSEN. Mr. Speaker, I am sorry that I find myself in opposition to the bill. If the bill were limited to hired labor, I should have no objection. If it contained an emergency clause limiting the provisions of it for the duration, I would have no objection. I am, however, opposed to making a basic change of such far-reaching degree in the parity formula. It is going to completely disturb the stabilization effort now being made.

Mr. HOFFMAN. Mr. Speaker, will the gentleman yield?

Mr. DIRKSEN. No. The parity formula is based on 128 items that the farmer must buy, to use for himself, or for food production. If there is an increase in the labor costs, entering into any item or commodity that the farmer uses for himself, or in production costs, the parity level automatically goes up, and it reflects every increase of labor cost. Now, however, it is proposed to change the very concept of this exchange formula, and that is all parity is. Parity was determined as an exchange formula by saying that on the basis of prices in 1909 to 1914 you determine what the costs were of a given number of commodities, and translate them in terms of what the farmer must buy and what he has to sell, and so every labor cost, whether it be in a binder, or whether it be in a bolt of calico cloth, or a pair of shoes or a new suit, is constantly reflected in the parity formula because it changes from time to time, and so the farmer gets every benefit of a change in wages. Now, however, it is proposed to include not only hired labor but all of the labor on the farm.

You need only read the bill to see that it will apply to all farm labor, including hired labor, the farm operator's labor, that of the members of his family, everyone engaged anywhere on the farm, with no distinction as to sexes, because it applied to boys and girls and men and women, with no limitation as to age, for it will apply to young women and young men, and old folks as well, and the best figure that I can get as to the effect of this bill will be that living costs will increase by approximately 16 percent on the average, and when you have increased those costs what have you done? You would give John L. Lewis his most persuasive argument for a \$2-a-day wage increase on the part of his miners. You will completely disorganize the whole stabilization program.

Mr. HOFFMAN. Mr. Speaker, will the gentleman yield?

Mr. DIRKSEN. I cannot yield. You completely disorganize the whole stabilization program, and for that reason I do not care to go that far. Last September when we considered the amendments to the Price Control Act, I offered a substitute for the Brown amendment, which would include hired labor costs, and insofar as I could tell, would probably raise living costs about 4 percent. This of course is going to increase them very substantially, and, frankly, I think that this has in it the seed of complete disintegration of the whole stabilization program, and for that reason I do not propose to go along. Why trifle with the parity formula when the corn farmer and the wheat farmer does not obtain parity now by virtue of a pegged corn price and a pegged flour price. Why not first obtain the basic parity level established long ago before we undertake to change the formula. This does not bring about a better price. It does not achieve a parity price. It merely widens the gap between present parity and what the farmer actually receives, and in consequence becomes a cruel mockery. Let the farmer alone. Give him present

parity prices. Ease the machinery restrictions. Supply what manpower can be obtained, and he will do the rest in providing food. Incentive payments, subsidies, and modifications of the parity formula are not the answer.

Mr. SMITH of Virginia. Mr. Speaker, I yield 2 minutes to the gentleman from New York [Mr. KENNEDY].

Mr. KENNEDY. Mr. Speaker, I am glad to join with the other farmer from the city, the gentleman from Illinois, Judge SABATH, in support of this bill. I believe that it will only do simple justice to those people who are employed on the farms. Some of us, although we come from big city districts, representing probably a half million people in an area of a square mile, still have some knowledge about farming and the work that has to be done. I remember spending many summers on a farm and did some work as a farmer at a very low rate of pay. As a matter of fact, I think I got my board and about \$2 a week. I was probably overpaid at that. But I often think of those boys growing up, the wives and daughters, everybody, out struggling. Most of the farmers I knew barely came out even at the end of the year.

I hope that this bill will lift those standards.

In connection with this bill, I was impressed with the fact that in the committee report something new has been introduced, by way of argument, in the matter of a poem, *The Man With the Hoe*, by Edwin Markham. You know, he spent his remaining days in my city, although he was born out in the State of Oregon and worked for years elevating working conditions. While *The Man With the Hoe* apparently refers to a farmer, it was the result of a series of articles covering the whole problem of child labor, which is now in book form, known as *The Children in Bondage*. He summed up in very beautiful language the life of the farmer, the hopelessness of his cause. If we do nothing else than to respond to Edwin Markham, I think it will be well for us to support this bill.

The SPEAKER pro tempore. The time of the gentleman from New York has expired.

Mr. SMITH of Virginia. Mr. Speaker, I yield 2 minutes to the gentleman from Michigan [Mr. HOFFMAN].

Mr. HOFFMAN. Mr. Speaker, I feel sorry for my good friend the gentleman from Illinois [Mr. DIRKSEN].

Mr. DIRKSEN. You do not have to.

Mr. HOFFMAN. Well, I am, anyway. I think you are so disturbed, you are so frightened, you are so fearful that if you give the farmer a little bit of compensation for the work which he and his wife and the children and the hired hand do in producing food and in growing corn to make the whisky that your district produces in such vast quantities, and add that labor cost to the price of corn and other farm crops, we are going to ruin this whole inflation scheme, and we are going to put a weapon in the hands of John L. Lewis. Now, listen: John Lewis has had that weapon—special consideration for union men—for many years—in fact, ever since the last day of 1936,

when he brought the sit-down strike into Michigan—and you have done nothing at all to take it away from him.

Mr. DIRKSEN. What have you done about it?

Mr. HOFFMAN. What have I done about it? I have tried to convert you. God knows I have tried. I have spoken about it here on the floor day after day. I have introduced bill after bill to correct the evil—the unlawful practices. Did I get any help? Yes; from some, but from darn few, and none from the majority leadership. I have preached about it. I have prayed over you, but I cannot get any action out of you. I have no fault to find. That is your business. But when we try to give the farmer something, when these industrial workers have had an increase every time they asked for it, I hear your voice raised in protest. I am not finding fault with the way you vote. That is your business. I am only saying your argument does not amount to a tinker's damn. You were the gentleman who did so much to give \$26,000,000 a couple of days ago to transport—educate some outside workers to come in from Mexico or from the cities to work on farms. Now, when we wish to do something for the farmer, to give him a fair price for his work, why do you not go along? People are buying the whisky distilled in your district from low-priced corn and they are paying a good big price for it. Your argument is that this legislation will force the price of corn higher and so cause inflation. Yes; just as all price increases tend to cause inflation. But we heard nothing of that when the wages of those working in the whisky industry went up. We heard none of that argument earlier in the week when you were yelling for \$26,000,000 to spend taking city workers—workers from foreign countries—and placing them on farms to take the place of farm boys. The increase which may occur in the price of corn of which you complain will do less to cause inflation than it will to take the profits out of the distillation of whisky.

The SPEAKER pro tempore. The time of the gentleman from Michigan has expired.

Mr. FISH. Mr. Speaker, I yield to the gentleman from Indiana [Mr. HALLECK] 5 minutes.

Mr. HALLECK. Mr. Speaker, there have been times when I have been accused of being a member of the farm bloc and there have been times when many of my farmers have criticized me bitterly for not going along with things they thought I should have supported. If my stand for a square deal for the farmer who is producing the food that is needed in this war effort causes someone else to say that I belong to the farm bloc—all right, I belong to the farm bloc, and likewise if my stand for a fair deal for the farmer is to mean that someone can say I am putting a weapon in the hands of somebody else to be used in asserting an unfair demand, I just cannot help that either.

The suggestion has been made that the passage of this bill will increase the cost of living 16 percent. To me that is absurd. Let us just look at it a moment.

Under the parity formula as presently written and under the parity formula that would be written under this bill, livestock prices, dairy prices, poultry prices are now currently above the point that either would fix. Prices on those commodities have not only been permitted to go to those levels but in some measure they have been encouraged to go to those levels to stimulate the production of those food products that we need. I am not quarreling with the basic principles of that doctrine. But the plain truth is that prices on these products have not been ceilinged and are now above the parity price this bill would fix.

Mr. HOPE. Mr. Speaker, will the gentleman yield?

Mr. HALLECK. Not now. Whether you pass this bill or not, those prices will be maintained at those levels or fairly comparable levels because the authority has been in the act to ceiling them below these points if the people in charge of the program had wanted to do so. Now, beyond that—

Mr. ALLEN of Illinois. Will the gentleman yield?

Mr. HALLECK. No; I do not yield at this time. After I finish I will yield. Let me proceed.

There is only one commodity that is important in this picture that is presently ceilinged, and that is corn. It has been ceilinged below parity, I say in contravention of the statute. As far as I am concerned, I would have preferred to first act on legislation to require the Administrator to follow the law in fixing ceilings on farm products before we undertake to change the parity formula. But as to corn, that is now ceilinged below parity, and whether a change in the formula will make one bit of difference in the price of corn will depend on whether the Administrator properly applies the formula.

Now, as to wheat. It is presently selling below parity. It is not ceilinged. The supply of wheat is so great, particularly in the hands of the Government, that the price is kept down in the market. Hence, this revision will not affect the wheat price, at least not for a long time.

Then how can it be said that this proposal is going to wreck the stabilization program? Again I say it is absurd.

It is suggested that parity is a comparative proposition. It is said that it has to do with fixing the price on what the farmer sells by looking at the cost of what he has to buy. It is said that under that theory cost of production should not be considered.

I recognize that in that suggestion has come the one proposition or principle which has disturbed many of us about this legislation. But in answer I would like to call to your attention that in the present parity formula there are three specific things listed that do not have to do with the comparative approach, but rather have to do with the cost-of-production approach, and I will tell you what they are.

In the present parity formula consideration must be given to interest payments which may go up or down; con-



sideration must be given to tax payments that may go up or down, and consideration must be given freight rates, which may go up or down. So does it not follow from that that already have we included in the parity formula three separate items that are apart from the comparative theory, that have to do rather with the cost of production theory?

Now, would there be such a rank violation of principle if we say in this present bill that the cost of labor shall be the fourth item in the cost of production which shall be included in the determination of the parity price? We all know that labor cost to the farmer has gone up by leaps and bounds. I am not so convinced about the necessity of including the work of the farmer's wife or his youngsters, although a tremendously strong case can be made out for that. About that I am not so concerned, but I am concerned about the tremendous increases in the cost of labor for which the farmer has to pay.

The SPEAKER pro tempore. The time of the gentleman has expired.

Mr. HOPE. I yield the gentleman 2 additional minutes.

Mr. HALLECK. I am concerned about the ability of the farmer to compete with other employing agencies for the help that he must have. But being concerned about that, let me say again I am not blowing hot and cold on this issue, because again I want to point out that if we adopt this act and it becomes a law, I can see but one place where the higher ceiling price by reason of the change in the parity formula might result in an increase in the price of a given commodity, and that is corn, and again in connection with that may I point out that if the Administrator can find some added way to avoid the requirements of the law which say that the ceiling shall not be placed below parity, then maybe it does not make any difference what kind of a parity formula we have.

Mr. DIRKSEN. Mr. Speaker, will the gentleman yield?

Mr. HALLECK. I yield to the gentleman from Illinois.

Mr. DIRKSEN. I think my friend from Indiana confuses the issue. Here we have made a consistent attempt for 10 years to push the prices up either to a parity or to comparative prices. Now what do we do? We change the rules of the game in existence during all that time. We seek to change the rules of the game so as to elevate the prices on the one hand in order to push them up. How could that do other than reflect itself in the price levels, because there must be a change in the wage ceiling formulas that have already been established?

Mr. HALLECK. The gentleman has stated his position, and he stated it before. I do not confuse the issues and I hope the gentleman does not. He speaks of the game we are playing. Will he not agree this war game is a little different?

I objected tremendously and I still object to fixing the corn price below parity. In all my time here in Congress the objective of the administration has been

to raise the price to parity. In respect to corn, the first time that the price got up close to parity another matter was injected, in contravention of the statute and the clear intent of the Congress, to fix the price below parity. Now you say we are in wartime. Well, it is the war which has brought unusually high wages, and the resulting impact on the farmer. Again I say it does not violate any principle involved, because we have already provided that only three separate items could be considered in connection with the cost-of-production theory as against the comparative theory.

Now the question which recurs is this: We have witnessed tremendous increases in wages, many of which came after the first price-control law was enacted, when the Congress, under terrific pressure from the administration, failed to do anything about wages. Wages have gone up. Why is there anything wrong in recognizing that, and in recognizing the tremendous competitions and difficulties under which the farmer is working and saying that we are going to adjust the parity formula in the light of the changed situation to the end that farmers may be enabled better to produce the food we need? Although again I must say that if ceilings are fixed below parity, as in the case of corn, or if the law of supply and demand controls and prices do not rise to parity, then changing the parity formula is just an idle gesture. It will not raise a single price to the farmer or increase the cost of living at all.

Mr. O'CONNOR. Will the gentleman yield?

Mr. HALLECK. I yield to the gentleman from Montana.

Mr. O'CONNOR. The gentleman has called the attention of the House to the fact that corn is selling below parity. I wish to call the gentleman's attention to the fact that wheat likewise is selling below parity.

Mr. HALLECK. I spoke of that. But the difference is that wheat is selling below parity on the market while corn is selling below parity by reason of the direct intervention of the Government that put a price below parity.

Mr. O'CONNOR. But this bill would help the price of wheat. That is what I am getting at.

Mr. HALLECK. I seriously doubt it. We have an enormous surplus of wheat; as the Government puts it on the market the price is driven down. We have not yet repealed the law of supply and demand. This bill does not fix a floor under prices, it simply limits ceilings which incidentally are applied selectively.

The SPEAKER pro tempore. The time of the gentleman has expired.

Mr. FISH. Mr. Speaker, I yield myself the balance of the time on this side.

Mr. Speaker, the chairman of the Agricultural Committee today presented to the House, and the House adopted by a unanimous vote, a most pious resolution, nothing really but a lot of ballyhoo and propaganda containing further promises to the farmer to the effect that Congress will recognize farming as a war industry. I am glad of it, and voted

for it, but I hope that is not all this Congress proposes to do for the farmers. They ask for fair prices on their products and you give them a lot of words on a paper resolution.

We have a bill now before us, the Pace farm-labor cost bill, that is requested by practically all the farmers in the country which includes the cost of all farm labor in determining the parity price of agricultural commodities.

Mr. Speaker, I do not always follow the distinguished chairman of the Rules Committee on legislative matters, but today I am following that great dirt farmer from Chicago who spoke for this legislation. After all, every Member on both sides of the aisle and certainly all the American people know that there is a serious food shortage confronting us and the great question before the country is that of production, more production, and still more production. The test on this bill should be, Will it increase production in America?

All the ships, tanks, airplanes, and weapons of war will be useless without food. If this bill will increase production and help solve the food shortage which confronts the American people, then we should pass it unanimously. Farming is as much a war industry as a munition plant. Food is as essential as armaments. We might even borrow or lease lend arms from Great Britain but not food.

I do not understand the opposition to this bill from some Representatives of farm districts who are all the time hollering for relief for the farmers, but when a bill comes before the House it does not get the united support of every farm Member. We have done nothing for the farmers in recent years except passing the pious kind of resolution that we adopted a few minutes ago to appease them by words and not deeds.

I want you to listen to what a real dirt farmer from Ohio, Mr. Louis Brimfield, a former new dealer, said recently:

I think it fair to say that nothing practical whatever has been done to help the farmer to produce more. . . . This scandal, and by next autumn it will be one of the greatest scandals in American history, affects the whole future history of ourselves and of the world.

Its repercussions will destroy the future of the Democratic Party for years, the future of liberalism, even the future possibility of a decent peace.

That is not a Republican or a Democrat speaking, but a former ardent new dealer, telling the American people that the Congress and the New Deal have done nothing for the farmers. I submit that is true. We have done practically nothing to help the farmers. We have an opportunity by voting for this bill to help solve the greatest problem before the American people—the shortage of foodstuffs.

If we want to win the war, we have got to have sufficient food to do it with—to feed the American people, our own armies at home and abroad, and to help feed our allies in the war.

Mr. KERR. Will the gentleman yield?

Mr. FISH. I yield to the gentleman from North Carolina.

Mr. KERR. Does the gentleman agree with the statement he just read to this House?

Mr. FISH. In what respect?

Mr. KERR. Does the gentleman agree with the statement he just read to the House, in light of the fact that in 1933 the income of the farmers of this country was \$5,000,000,000, while in 1942 it was well over \$18,000,000,000?

Mr. FISH. Mr. Bromfield, one of our best known authors and a large farm operator in his own right, was referring to the last 6 or 7 years.

Mr. KERR. I am talking about the last 10 years.

Mr. FISH. Well, I am talking about the last 7 years. I repeat, the New Deal has not done anything for the farmers in the last 7 years. The New Deal destroyed our national farm economy by doing away with our economy of abundance and substituting one of scarcity—of plowing under crops, of destroying wealth, and killing pigs and cattle. That is what the New Deal has done for the American farmers, and I agree with what Mr. Bromfield said, and that the responsibility rests with the New Deal for doing practically nothing for 7 long years for the farmers, who are the backbone of the country.

Mr. O'CONNOR. Will the gentleman yield?

Mr. FISH. I yield to the gentleman from Montana.

Mr. O'CONNOR. The gentleman will agree with me that when we had the price-control bill up, which was passed on October 2, 1942, the provisions or the substance of the Pace bill should have been written into law at that time, and if that had been done we would not have the food shortage we now have.

Mr. FISH. I agree with the gentleman but the occupant of the White House was opposed to that. The Congress was in favor of it and was right then as it is now. Today we are about to do exactly the same thing that should have been done, as the gentleman says, a long time ago. We are faced with an extensive food shortage for the first time in our history and possibly with food riots next winter unless we legislate wisely and constructively for the benefit of the farmers and assure them of fair and adequate prices on what they produce in comparison to what they buy.

Mr. O'CONNOR. Then the gentleman agrees with me that the Congress should have done it.

Mr. FISH. Most certainly. And I do not believe there is a Member of the House who does not know there is a serious food shortage. The question before us now is how to solve that problem and by legislative action increase production. The farmer is the forgotten man in America. He has large investments in land, buildings, equipment, and in flocks and herds, works from dawn to dusk, is burdened with taxes, and obtains a precarious living. If he is forced to abandon his farm and slaughter his herds it means a more serious food shortage and a diminishing trade for the merchants and store keepers in the rural communities.

Our farmers are badly handicapped by a shortage of farm help and of agricultural equipment and unless they receive fair prices on what they produce the food shortage will become more and more serious throughout the Nation.

The SPEAKER pro tempore. The time of the gentleman from New York has expired.

Mr. SMITH of Virginia. Mr. Speaker, I yield myself the balance of the time.

The SPEAKER pro tempore. The gentleman from Virginia is recognized for 7 minutes.

Mr. SMITH of Virginia. Mr. Speaker, this debate sounds very familiar. We had this bill up in the Price Control Act last year. The subject was debated, and, if my recollection serves me correctly, we had a roll-call vote on it, and it was passed by a very large majority. Later last fall this same identical bill was passed by unanimous consent in this House. One wonders why all the shouting about it today.

I happen to be one of those who, when this bill came up in the Price Control Act last year, voted against it. I voted against it because the President had asked us to eliminate it on account of the inflationary situation. I am going to vote for it this time. I think we are confronted with a very, very practical question. I happen to have a farming district. You can drive within a few miles of this capital today and see crops in the field rotting now that should have been harvested last November.

They are in the field wasting and rotting because of the shortage of farm labor. The whole country is at war and we are faced with the acute danger of a food shortage next year. Why do we have it? We have it for two reasons: One, because the draft has not paid proper attention to the deferment of farm labor; and, two, because the very Government that has asked us to vote against this bill has so inflated the wages of common labor that it is utterly impossible for the farmer to compete with it today. We all know that right now common farm labor can drive to a defense project and make as much money per day as the farmer had been paying per week in many instances. That presents to you a very practical proposition. I do not believe we can afford to sit around here and argue and debate and theorize about what might happen to inflation or what might not happen to inflation while our fields go untilled and our crops unplanted. This is exactly the situation we are going to find ourselves in unless we do something about it. I think all this talk about this going to cause inflation is a lot of ballyhoo anyway. I wonder how many of the Members have figured out prices? Take wheat for instance; how many have figured out how much the farmer gets for the bushel of wheat and how much the consumer pays for that bushel of wheat? The farmer gets about \$1.50 for his wheat. Convert that into bread and take it through all of the retail and wholesale handlers who deal with it before it gets to the ultimate consumer and we find that in the form of bread

that bushel of wheat costs the consumers \$6. The farmer, however, got only \$1 or \$1.50. A little change to give the farmer the actual cost of his labor in the raising of his crops is not going to cause any inflation. To say that it is, is a lot of silly talk in my humble judgment.

Mr. HOPE. Mr. Speaker, will the gentleman yield?

Mr. SMITH of Virginia. I yield to the gentleman from Kansas.

Mr. HOPE. Is it not also true that we are paying exactly the same price for bread today that we were paying a year ago?

Mr. SMITH of Virginia. The gentleman is correct. A year ago the farmer got a dollar for his wheat and the consumer paid \$6 for it in the form of bread. Now the farmer gets a dollar and a half, or a 50-percent raise, and the consumer still pays the same \$6 a bushel for it in the form of bread.

Mr. KERR. Mr. Speaker, will the gentleman yield?

Mr. SMITH of Virginia. I yield.

Mr. KERR. Confirming what the gentleman says, I bought a beefsteak in a hotel in this city just recently. It cost me \$2.25, but for that beefsteak the farmer got only 12 cents when he sold it.

Mr. SMITH of Virginia. The gentleman will be lucky to buy it at any price a year from now unless we can get some labor back on these farms.

Mr. O'CONNOR. Mr. Speaker, will the gentleman yield?

Mr. SMITH of Virginia. I yield.

Mr. O'CONNOR. The gentleman said the farmer was getting \$1.50 a bushel for his wheat. I believe the gentleman is in error. The farmer is getting only \$1.01.

Mr. SMITH of Virginia. It depends upon the area. It is \$1.50 on the Baltimore market now.

Mr. O'CONNOR. In my district it is selling for \$1.01.

Mr. SMITH of Virginia. It depends upon the area.

Mr. MARCANTONIO. Mr. Speaker, will the gentleman yield?

Mr. SMITH of Virginia. I yield.

Mr. MARCANTONIO. People in my district paid 5 cents a pound for cabbage last year. Today they must pay 25 cents a pound for it. Does not the gentleman feel that the price is going to be further increased as a result of this legislation?

Mr. HULL. May I suggest to the gentleman from New York that the Government has fixed the price of cabbage to be raised in Wisconsin this year at \$12 a ton of 2,000 pounds; that is what the farmer is going to get out there. We are not responsible for what they have to pay for it in New York City.

Mr. MARCANTONIO. They are paying 25 cents a pound for it right now.

Mr. SMITH of Virginia. I yield no further.

There are a whole lot of things that enter into what the gentleman from New York has to pay for a pound of cabbage in his district. Included in those things is the thing we are trying to remedy under the Hobbs bill, the racketeering by your teamsters' union. If you come along and vote with us on that, we may be able



to help you get a mess of cabbage next year.

Mr. LUTHER A. JOHNSON. Mr. Speaker, will the gentleman yield?

Mr. SMITH of Virginia. I yield to the gentleman from Texas.

Mr. LUTHER A. JOHNSON. Is it not true that the farmers are the only class who are not permitted to take into consideration the cost of labor in determining prices? As a matter of simple justice, is it not true that this legislation is justified?

Mr. SMITH of Virginia. The gentleman is absolutely correct.

Mr. Speaker, I move the previous question on the resolution.

The previous question was ordered.

The resolution was agreed to.

Mr. FULMER. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the state of the Union for the consideration of the bill (H. R. 1408) to amend section 301 (a) (1) of the Agricultural Adjustment Act of 1933, as amended, and the first sentence of paragraph (1) of section 2 of the Agricultural Adjustment Act of 1933, as amended, and as reenacted and amended by the Agricultural Marketing Agreement Act of 1937, approved June 3, 1937, as amended, so as to include the cost of all farm labor in determining the parity price of agricultural commodities.

The motion was agreed to; accordingly, the House resolved itself into the Committee of the Whole House on the state of the Union for the consideration of the bill H. R. 1408, with Mr. WALTER in the chair.

The Clerk read the title of the bill.

The first reading of the bill was dispensed with.

Mr. FULMER. Mr. Chairman, I yield myself 5 minutes.

Mr. Chairman, the bill under consideration at this time will not settle the problems of the farmer but it is a very meritorious bill and should be passed by the House by a unanimous vote.

I was interested in the statement made by our colleague the gentleman from Virginia [Mr. SMITH] a moment ago about the prices the farmers receive and the prices the consumers have to pay. My friends, that is the major problem today confronting the farmers as well as the consumers of this country.

To me, it is pitiful to find farmers operating as individuals and having to accept anything they are offered for their products. On the other hand with thousands of useless middlemen who do not produce a living thing, operating between farms and consumers, with many additions added thereto the consumers have to pay a high fixed price for the same product.

Referring to the statement made by the distinguished gentleman from Illinois [Mr. DIRKSEN] that it would not be so bad if this bill would pay hired labor but that the purpose of the bill would also pay farmers and their wives and children, who do their own work, that is pitiful. I have an overseer on my farm and an assistant overseer, and farm labor. I would receive the benefit the gentleman is willing to give to me. But I

have numerous tenants. Their wives and children are doing the work, but it would not be fair for them to get anything for their labor according to the gentleman from Illinois. There are millions of people in this country doing their own work and many living in poverty, with their children uneducated through no fault of theirs and yet the gentleman from Illinois would deny them cost for their labor.

Any bill can come in here in the interest of the monopolistic groups or those who are able to propagandize Congress and everybody else through the press, and it is all right, but when it comes to the farmers of this country, the backbone of the country, then there is something wrong about it.

I am glad that many of you are waking up to the fact that we have a food shortage and that the Members of Congress and other people in this country, millions who live in the cities, are beginning to realize the importance of giving some thought to the farmers of this country.

Let me quote from a statement made by a farmer operating his farm in New Hampshire:

Last October my two hired men left to take jobs in the Pacific Mills at Lawrence, Mass. One tells me he gets \$85 a week and the other slightly less. They are good, honest men, and I hated to lose them, but when they came to me I said, "Hell, boys, I don't blame you," and I didn't. I couldn't pay that kind of money.

He said further that he has sold a large number of his cows and that his property is going down in value, all because he is unable to secure or keep labor on his farm and because of unfair prices.

Mr. Chairman, we hope some time in the near future to hold hearings to work out a bill that would set up a proper formula for establishing farm parity prices that would give to the farmers that to which they are entitled and that which they are not now receiving a fair price.

The statement was made a while ago that the price of a mowing machine was reflected in the bale of cotton. In the price of that mowing machine you have every item of cost, transportation, labor, and profit. Even the taxes of the manufacturer are paid by the consumer. But when the farmer sells his one bale at \$100 to buy that machine for \$100 there is nothing left for the farmer in the way of profit. Why? Because the manufacturer is able to control his production as well as his distribution and fix the price, "You can take it or leave it."

I am glad to see the Congress waking up to the point where Members are beginning to realize we need to do something for the farmers of this country. We may be able to keep the older gentlemen and ladies down on the farm receiving unfair prices, but the young men and the young girls residing on the farms realize just what is going on with every other group, and they are not going to stay on the farm. Then somebody is going to be forced to go back to the farm and produce something to exist on or else.

The CHAIRMAN. The time of the gentleman from South Carolina has expired.

Mr. HOPE. Mr. Chairman, I yield 5 minutes to the gentleman from Iowa [Mr. GILCHRIST].

Mr. GILCHRIST. Mr. Chairman, I ought to be against this bill. Oh, I am so afraid the President is going to veto it. We Republicans, therefore, ought to hold up his hands and protect the President from the necessity of such a veto.

Further, I ought to be against this bill because it is going to help John L. Lewis if you pay the farmers what they ought to have. Now, do not help John L. Lewis. The thing to do to prevent John L. Lewis from carrying on his wicked designs is to decrease farm prices and give farmers only about half what they are now getting or of what they ought to have. Then you would be preventing John L. Lewis from putting over his proposal to increase mine wages as much as \$2 per day.

Mr. HOFFMAN. Mr. Chairman, will the gentleman yield?

Mr. GILCHRIST. I yield to the gentleman from Michigan.

Mr. HOFFMAN. If the farmers do not get busy, John and his miners are going to get hungry.

Mr. GILCHRIST. I was going to say that. I thank the gentleman for saying it for me.

This will not increase the cost of living more than about 3 percent. The author of the bill has the exact figures from Government sources, which show that to be true. Bread has not risen in value, although we have inflation right now. Oh, if you give farmers justice, if you give them honest farm prices, then you have inflation. Inflation is the scarecrow. Inflation is the bogieman that will get you if you do not watch out. If you increase the price of bread maybe one-tenth of 1 mill per loaf, something terrible will happen.

Miss SUMNER of Illinois. Mr. Chairman, will the gentleman yield?

Mr. GILCHRIST. Yes.

Miss SUMNER of Illinois. Assuming that this would cause Mr. Byrnes to raise prices, and I am not sure he would, on account of the O. P. A. law, but assuming that he would suggest a small rise in price, would it get the amount you want? In the last war, when that was a problem confronting us, not only confronting America, but Europe and the Army, Mr. Hoover, who was Food Administrator, attacked the problem in a masterful manner, and he set \$2 a bushel for wheat, because we needed wheat, and he put a floor under the pork prices. What do we get today? We get going round and round in legislation that does not act directly, and will that small amount of rise get the production? We need to pay whatever price is necessary to get production.

Mr. GILCHRIST. I thank the gentleman for her suggestion. As has been pointed out by the gentleman from Indiana, this bill will not raise the cost of living. Livestock is away above parity now. This bill cannot raise these prices above what they are now. Wheat is away down below parity, as the formula now stands. This bill cannot raise this price over what the parity price of

wheat now is. This bill does not touch parity on wheat. Oh, we hear the yell about inflation. Why, you go down to your grocery store, and you will buy oat meal, and pay \$27 a bushel for your oats. But great Lord, do not have inflation. Do not give the farmer anything now in his extremity, for fear you will disrupt prices.

Mr. O'CONNOR rose.

Mr. GILCHRIST. Oh, please, I do not want to yield. Let me talk a little while. Parity is just a relative thing. Be consistent. If you believe in parity at all—and maybe you do not believe in it, and I will not quarrel with you if you do not—but if you believe in it, be consistent, and if you do believe in it, then why not have the whole thing figured and why not consider all elements that affect the formula for parity? If the farmer pays out for labor more than he paid in the base period, then will it not be consistent to deny him that factor in computing the things he buys? Labor is really a thing that he buys. He buys labor, he buys shoes, shirts, and everything else, and when he goes to the market, he must pay for that extra labor as a factor. Be consistent. Oh, consistency, thou art a jewel. I do not know where that comes from, but I heard it somewhere in McGuffey's Fifth Reader. You cannot be consistent and say that the farmers are entitled to parity unless you include the things they buy as a factor.

The CHAIRMAN. The time of the gentleman from Iowa has expired.

Mr. GILCHRIST. I wish I had some more time.

Mr. HOPE. I yield the gentleman 2 additional minutes.

Mr. GILCHRIST. This bill if it passes will produce more food. It will produce more hogs. Farmers will be able to produce more on their farms. I have a letter in my office from a nice old farm lady and she tells me that if we do not give labor to farmers, they will have to quit, and we will be starved, and the boys in the Army will not be fed. She tells me these things, and she knows what she is talking about. If you need food, be consistent, let it be a factor in the things which the farmer buys.

Mr. ZIMMERMAN. Mr. Chairman, will the gentleman yield?

Mr. GILCHRIST. I have not the time, but I yield.

Mr. ZIMMERMAN. The gentleman is making a very informative talk. Is it not true that the only way the farmer can pay for the horse collar that he is going to buy, or the plow point, is by the price that he gets for his corn and his wheat or his cotton?

Mr. GILCHRIST. That is true. Take a clevis. I used to buy it for 15 or 20 cents, and now it costs \$1.25. A lot of folks do not know what a clevis is, but they ought to know, before voting against this bill.

Mr. ZIMMERMAN. If the farmer is going to operate a farm and produce, he has to get money from some source to pay his bills to carry on his farm operations and produce the food that we ought to have.

Mr. GILCHRIST. There is no doubt about that. The things that are raised in value are figured against the farmer in this parity formula. For example, an automobile for which he paid during the base period \$3,000, he now buys for \$800 or \$1,000. Do you not believe that the boys down there continue to figure that against the farmer? Of course they do. Now, when the farmer has to pay \$90 or \$100 a month for his labor, for which he used to pay only \$30, I call upon you to be consistent, and let farmers have the right to reflect labor costs in their farm parity prices.

The CHAIRMAN. The time of the gentleman from Iowa has expired.

Mr. FULMER. Mr. Chairman, I yield 5 minutes to the gentleman from Alabama [Mr. STEAGALL].

Mr. STEAGALL. Mr. Chairman, I am glad to give my wholehearted support to this bill. When the second price control bill was under consideration I undertook to incorporate in that measure a provision that would have required calculation of all costs of farm labor in determining a parity price for the purpose of price ceilings. That provision was offered as an amendment and prevailed in the House and was approved by the committee of the Senate which considered the bill and approved by a direct vote of the Senate. Later there was a compromise of the language so that the exact provision of the House bill was not in the final measure. This House voted on the identical bill now before us, as I remember, last November or December, and passed the bill by unanimous consent. The statement has been made, I am sure not with any intention of misleading the House which I am very definitely sure is not justified. The statement was that the effect of this bill would be to increase consumption prices of consumers of farm commodities 16 percent. When the second price control bill was under consideration an important conference was held with respect to that measure, and the provision to which I have alluded in the second price control bill was discussed at length. At that time there had been no substantial increase in the price of farm commodities above parity. The highest estimate that was offered by Mr. Henderson and Mr. Ginsburg was that the provision at that time, if adopted, would make possible an increase of 12 percent. That was the highest estimate that anybody suggested at that time and that was before any of these commodities had reached a price higher than parity.

If the farmers were to give free every pound of farm products that would be affected by this bill, it would not have any more effect finally on the matter of inflation with the hundreds of billions of dollars that will be expended before this war is over than the drop of a penny into the middle of the Atlantic would affect the tides of the ocean. Has anybody here bought a baked apple recently?

Mr. CRAWFORD. Yes.

Mr. STEAGALL. I paid 25 cents for a baked apple a few days ago right here in this Capitol. The last one I bought I paid 30 cents for. That is the price of a baked apple to the consumer. Yet people stand here and talk to us as if

the way to prevent inflation in this country is to reduce the price the farmer receives for the apple. How much do you suppose he got? There has been a time when he would be glad to sell a bushel for what I paid for that one apple. But that is typical of this whole farm controversy. I am not talking about it from the standpoint of production for war purposes. I am talking about it from the standpoint of honest-to-God justice and common sense that ought to obtain at any time, to say nothing of the fact that we face an emergency in this country with respect to food supplies for ourselves, for our armed forces, and for the people we are trying to feed throughout the world. The only way to secure labor on the farm to produce the food of which we are in such serious need is to pay the farmer a price that is sufficient to enable him to pay necessary wages.

The CHAIRMAN. The time of the gentleman from Alabama has expired.

Mr. FULMER. Mr. Chairman, I yield the gentleman 2 additional minutes.

Mr. STEAGALL. I call your attention to this: Now, I am not doing this to make any attack on labor. The first price-control bill as presented and as finally passed carried a specific exemption of wages in the United States. During all the time that was in effect wages were increasing from day to day, the authority to control farm prices, whether exercised or not, was hanging like the sword of Damocles over farm prices in the United States. That power was being exercised not only by orders, but threats and statements were being made continually and carried in the papers every day, to beat down the cost of farm products throughout that period. The Price Administrator made the statement that there had been an increase in wages amounting to \$1,200,000,000 during that period, an amount almost equal to the actual price paid to the farmers of the Nation for the entire output of the farms of the United States for the year 1942.

There is no excuse for anybody who has any concern for justice to the farmers of the United States opposing this legislation.

Mr. CRAWFORD. Mr. Chairman, will the gentleman yield?

Mr. STEAGALL. I yield.

Mr. CRAWFORD. What does that 16 percent which someone spoke about refer to? What do they apply it against—the 16-percent increase in prices?

Mr. STEAGALL. It is applied to increases in farm commodity prices. I do not know where the figures came from. I have called attention to the fact that they cannot be correct. The highest figure offered when this provision was first considered, before these prices had gone beyond parity, was 12 percent.

The CHAIRMAN. The time of the gentleman from Alabama has expired.

Mr. HOPE. I yield 10 minutes to the gentleman from Illinois [Mr. DIRKSEN].

Mr. DIRKSEN. Mr. Chairman, levity is not going to solve the problem that is before us today. Rather piddling characterization of those taking a view opposite to those expressed by the committee itself is not going to solve the problem,



and I must confess that in my judgment, and I say it in all kindness, there has been some shallow thinking on this subject today.

This bill is not going to solve our manpower problem; it is not going to touch it. You do not deal with manpower. It is not going to solve our machinery problem. That is not involved here. You are dealing solely and exclusively with the parity formula or the exchange value of the farm products, and nothing else.

Mr. PACE. How can the farmer go into the commodity market and hire farm workers unless he has some assurance that the cost is going into his selling price?

Mr. DIRKSEN. I want to consider that in just a moment when I get around to it. What I want to do is to demonstrate that the statements that have been made thus far in this discussion are departing from the central point at issue, and I can illustrate it very well by the price of corn. The parity price, in round figures, is about \$1 at the present time. As a matter of fact the O. P. A. has pegged the price at 78 cents in the field, so that what the farmer gets for corn today is 22 cents per bushel below the parity price. Do we propose to remedy that? No, we do not. Do we propose to make any change in that? Not one bit. What we propose to do today is just this. I will take the figures from the Bureau of Agricultural Economics which show that where the parity price of corn now on the basis of the present parity formula is \$1 per bushel, we propose to make the formula include all farm labor and thereby increase the parity price to \$1.15 a bushel. That is what we propose to do. Then what happens? Where corn now is 22 cents a bushel below parity, it will be 37 cents below parity. Then what? I dedicated many an effort year in and year out for 10 years to the cause of parity and I do not propose to do a disservice to the farmers today by passing a bill of this kind that is going to hurt rather than help, by shunting the price of corn up to \$1.15, so that the spread between the price at which the farmer sells his corn in the field today and parity will not be 22 cents, but will be 37 cents, and later find myself in the position of battling day after day in this Well to push the price up to parity, notwithstanding the fact that as I envision from expressions here today the House proposes to raise the labor level and to disturb the basic formula, not for today, not for tomorrow, not for 1944, but for all time to come. That is what you are going to do. That is why I am concerned about it. These various indices were altogether different in 1940, whether you included hired labor or all labor.

You took the published parity price and now we are going to depart from that formula when the dislocations have extended themselves. After the war we may have hold of a hot poker. I do not want to see that happen.

We have battled so devotedly and so gallantly in all quarters for this existing parity formula, day in and day out, and we are not affecting the price level. The gentleman from Indiana was talking about prices. It has nothing to do with

it if we are going to stick parity for corn up to \$1.15 from \$1, where it is now. That is what we propose to do, and then we are going to try to push the price up to that level. When you do that, is there anyone who will argue it is not going to translate itself in terms of increased living costs? It is bound to, in terms of corn meal, corn flour, and a great many other items that are derived from corn.

This bill does not add one single cent to the pegged price of corn. It does not add one single cent to the price of wheat since it is indirectly pegged by the present ceiling price on flour. It merely changes the parity formula or exchange value formula under which we have been operating and then throws upon us the responsibility of meeting the new parity level, either by means of parity payments or benefit payments. Is that a logical course to pursue?

Mr. HALLECK. Will the gentleman yield, Mr. Chairman?

Mr. DIRKSEN. Yes.

Mr. HALLECK. What I said in my statement, and I think the gentleman will corroborate it, was that insofar as the corn ceiling is concerned, the change in parity formula, if properly applied without any reservation, would result in an increase in the price of corn. I said also that was the only commodity about which I felt that any difference would be made on the ceiling that has been reported. As to other commodities, a great many of them are now above parity; in respect to dairy products, livestock, poultry products, the prices are above the parity ceiling as now fixed and would continue to be above the parity figure as respects the corn item.

Mr. DIRKSEN. Well, the figures I got from the Department are that if this bill passes—and I received these figures some time ago—it will make a difference of 3.1 cents per pound in cotton. You raise not the price but parity price. Then we will be at it trying to raise it up that high. The difference in corn will be 16.1 cents per bushel, so that, instead of \$1, the parity price will be \$1.16. Then we will be pushing prices up that high. They are bound to reflect themselves ultimately in the higher cost. This applies not only to basic commodities but to comparable commodities as well. The figure I have here shows an increase of 22 cents in the parity price of wheat. So that has to be reflected somewhere. There is no ceiling on wheat at all, but there is on flour, and there is a peg price on corn. For years the President and the Congress have been committed to parity. We have not reached it yet in many commodities. And now we propose to change the parity formula and push it to higher levels.

Mr. PACE. Will the gentleman yield?

Mr. DIRKSEN. I yield to the gentleman from Georgia.

Mr. PACE. The gentleman has mentioned cotton. It is very little, if any, affected by this bill, because the ceiling price the mills are now authorized and charge you in fixing the price of what you buy from them is at 22 cents a pound. The ceiling is already up there.

Mr. DIRKSEN. We are setting a level here. Then we will promptly go about pushing every comparable commodity

and every basic commodity up there if we can. Does my friend believe that, having established a new and higher parity level, there will be no effort to reach it, either by means of benefit payments, parity payments, or some other method?

Mr. COOLEY. Will the gentleman yield?

Mr. DIRKSEN. I yield to the gentleman from North Carolina.

Mr. COOLEY. Does not the gentleman feel that we should push it up to a fair parity?

Mr. DIRKSEN. Yes; but we are not doing that. Instead of pushing it up to parity, we are taking the parity level and putting that up.

Mr. COOLEY. Why does not the gentleman address himself to the change in formula which is being proposed?

Mr. DIRKSEN. That is precisely what I am doing. The mistake is that you are confusing price with the parity formula. Once you set the limit up there you let the Congress dedicate itself to the question of achieving parity for the farmer and you keep pushing the level up. Are you ever going to achieve parity, as a matter of fact?

Translated into terms of dollars out of the Federal Treasury, the first year that we voted parity payments we voted \$212,000,000. What for? To be added to benefit payments so that you could add it to the market price of corn and achieve parity, or approximate parity. Now you put your parity higher. Then what? You have got to take more millions out of the Treasury, more millions for wheat, more millions for rice, more millions for corn and for every year you shoot up that parity level the spread becomes greater. So under the pressure and against my will, I will say, we have been voting parity payments instead of taking the sensible approach of trying to achieve parity on a stable, durable level in the open market. Now we propose to undo all that work by increasing the farm labor in the parity index.

I say now as I said before in September that I would have no objection if you increased parity by the hired labor cost. I do not know, but I suppose it will make a difference of 3 or 4 percent as near as I can tell from the department figures. But that is not what we propose to do here. We are going to put in all farm labor in this bill. The language includes the cost of all farm labor, including hired workers, farm operators, and members of the families of farm operators engaged in work on the farm. The wife of a farmer who drives a team to the nearest milk station would, in my judgment, be included.

It will be a matter of interpretation for somebody who is going to administer this bill, make no mistake about that, and just what the administrative problems are and those that will develop I hesitate to say. But there is the language. It includes all persons engaged in work on the farm and that is subject to administrative interpretation. How far it will go or to what extent it will be restricted I cannot say. What about a part-time worker? I will ask my friend from Georgia [Mr. PACE] what about a part-time worker?

The CHAIRMAN. The time of the gentleman has expired.

Mr. HOPE. Mr. Chairman, I yield the gentleman 5 additional minutes.

Mr. DIRKSEN. What about a part-time worker who does part-time work on the farm and probably part-time work in a defense plant or in the city somewhere? Under the language of this bill he would be included if an administrator so determined.

Mr. PACE. The committee report shows exactly the number that will be included under this formula on the basis of the full-time, year-round job. If a man of course works a day or two he is figured for a day or two only, but it distinctly does not include the housewife and does not include anyone except he is out in the field working. Here is the report.

Mr. DIRKSEN. Yes; but let me say to my friend from Georgia that we are not passing a report this afternoon; we are passing a piece of formal legislation with certain language in it, and somebody in the executive branch is going to interpret it. I cannot tell anymore than the committee can tell when the time comes whether or not that will be included. If a controversy arises certainly those organizations, those groups, those individuals who would like to have this included will try to compel the Department to include everything to establish the logical sequence of the thesis that has been proposed here this afternoon in my judgment and so there will be confusion as they get into this whole question of administrative interpretation.

But I took only this one item of corn and I bring it back to you. Corn is selling at 78 cents plus at the farm, considerably below parity. This bill proposes to include all costs, not only labor, but everything else so as to push up the parity price; but you have not done anything for the farmer, you have not raised the price, you have not particularly done anything in the field of manpower, you have not got him any extra help; you have only set up an artificial level and left us struggling with this whole question of later attempting to reach that level.

Mr. BECKWORTH. Mr. Chairman, will the gentleman yield?

Mr. DIRKSEN. I yield.

Mr. BECKWORTH. According to the 1940 census seven-eighths of the farmers who grow cotton had incomes from \$1,056 down to four-hundred-and-thirty-some odd dollars including not just the cotton but counting also the value of that which they eat, the dairy products, poultry products, and everything which they sell; that is not just cotton. Does not the gentleman believe that farmers with incomes ranging from \$1,056 down to four-hundred-and-some-odd dollars ought to have a chance to get a little more, indeed much more, for their work?

Mr. DIRKSEN. I wonder if we are not doing him a disservice instead of a service?

I know, of course, that the American Farm Bureau Federation has changed its position. In December 1941, in convention in Chicago, they said:

We deplore efforts that are being made to raise the parity price of farm commodities through a revision of the formula upon which parity prices are determined.

Mr. COOLEY. Mr. Chairman, if the gentleman will yield, what is the date of that letter?

Mr. DIRKSEN. The Farm Bureau said that in December of 1941. In their resolutions of 1941 they said: "We insist upon—"

Mr. COOLEY. In the national convention?

Mr. DIRKSEN. That is more than 2 years ago.

Mr. COOLEY. They have changed their position today.

Mr. DIRKSEN. Yes; I understand that; I understand they had changed their position on the matter; I just indicated that.

Mr. COOLEY. They are for the bill.

Mr. DIRKSEN. But I understand that the executive committee had reaffirmed the action that was taken in Chicago in December 1941. I think it is a mistake; I think it is deplorable within the spirit and the content of their own language, and I feel firmly that if today the Congress enacts this it will have done nothing for the farmer, it will have just set a level up there to which we are going to have to push prices and probably bridge the gap, if we can, with appropriations out of the Federal Treasury; and that looks to me something like a disservice. The farmer wants to be let alone. He asks only a good price for his products as an incentive. Instead of providing a good price, we give him a new formula, which will do him no good and become a convenient excuse to others for increasing living costs.

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. DIRKSEN. I yield.

Mr. GROSS. Who is the head of the Farm Bureau Federation?

Mr. DIRKSEN. Mr. O'Neal.

Mr. GROSS. Is not Mr. O'Neal on the Federal pay roll?

Mr. DIRKSEN. I do not think so.

Mr. GROSS. I am just asking.

Mr. DIRKSEN. I am quite sure he is not.

Mr. DIES. Mr. Chairman, will the gentleman yield?

Mr. DIRKSEN. I yield.

Mr. DIES. I think the gentleman will agree with me that it is immaterial whether the farm leaders or organizations want it or do not want it; the question is whether or not it is right. What difference does it make whether the farm organizations are for it or against it? The question for us to consider is whether it is right or whether it is not right. I wish the gentleman would answer that.

Mr. DIRKSEN. The gentleman is so absolutely correct. It is very definitely a case of whether the legislation is good or bad, whether it is sound or unsound, whether useful or dangerous. It is a case of everybody doing his own thinking. I think the passage of this bill would be doing a disservice to the farmer today. To summarize, if O. P. A. sets ceilings on farm prices below parity, the

bill before us gives no aid to the farmer whatsoever. If ceilings are removed, and the increased parity level is achieved, it means increased living costs which will later be met with new wage demands and thus the spiral of rising living costs gets real force and momentum. It puts no extra machinery on the farm. It puts no new labor on the farm. It merely provides for including in farm prices the extra cost of hired labor and farm labor which is already there. At present price levels, it commits the Congress to parity payments that would be larger than ever. It gets further and further away from the real goal of farmers, namely, a fair parity price in the open market place for what he produces. It is of a piece with the other proposals which have been suggested to aid the farmer, all of which are designed to aid him in every conceivable way except the one sure way in which he should be aided, namely, by an adequate price. When the war is over and the period of adjustment is at hand, the spread between parity and market prices may be greater than ever and then comes the inevitable headache.

Mr. HOPE. Mr. Chairman, I yield 2 minutes to the gentleman from Michigan [Mr. HOFFMAN].

Mr. HOFFMAN. Let me say to my friend from Illinois [Mr. DIRKSEN] that perhaps the reason we do not see alike on this question may be that we come from different districts. In my district I have not only farmers but people who feed poultry and stock. They are not so greatly disturbed if the price of this feed goes down or if it goes up. They want the farmer to have a square deal.

The gentleman from Illinois [Mr. DIRKSEN] has a district with a great industry which produces, I am advised, a large quantity of good whisky—if any whisky is good in wartime—and he of necessity represents the industries of that district. Let me say he does a good job. No one could do a better. How many hundred thousand bushels of corn do your distillers use in a day or a week?

Mr. DIRKSEN. If the gentleman would just get away from his levity and stick to this feed—

Mr. HOFFMAN. Levity, my eye. You are going to be hungry. You are not going to be laughing about it, and neither are other folks, nor am I.

Mr. DIRKSEN. That is my headache, not yours.

Mr. HOFFMAN. The lack of food will be your head all right, but it will give all of us headaches; if it were just yours and mine we could forget it. You want our farmers to keep on producing food. They will. But that is no reason why they should be treated unfairly. You say the price of corn is going up if we adopt this bill, do you not? That makes the distillers in your district pay more for grain. I do not blame the gentleman for helping out the people he represents. I do not blame him at all. He is looking after his people. What I am thinking of is our own forces, here and abroad. I am thinking of the boys who are going across and must be fed. I am thinking of the boys at home



who must be fed. I can think of something besides the distillers and whisky. Whisky is not going to do us any particular good toward the winning of this war, not a bit. I wish the gentleman would employ his—what shall I call them, superhuman?—talents to aid the actual dirt farmers, even when their interest comes in conflict with that of the distillers.

Miss SUMNER of Illinois. Mr. Chairman, will the gentleman yield?

Mr. HOFFMAN. I yield to the gentleman from Illinois.

Miss SUMNER of Illinois. The gentleman has the idea this bill is going to raise prices. This bill itself is not going to raise prices.

Mr. HOFFMAN. I know it is not going to raise prices to any great extent but the gentleman from Illinois thought it would.

The CHAIRMAN. The time of the gentleman from Michigan has expired.

Mr. PACE. Mr. Chairman, I yield 5 minutes to the gentleman from Missouri [Mr. CANNON].

Mr. DIRKSEN. Mr. Chairman, will the gentleman yield?

Mr. CANNON of Missouri. I yield to the gentleman from Illinois.

Mr. DIRKSEN. I just want to make an observation to my friend from Michigan who talked about feed, that this bill will increase the price of feed ultimately if we get it up to parity and it will just cost his producers that much more.

Mr. HOFFMAN. That is what the gentleman fears. That is why he wants to keep the price down, so it will not cost his distillers any more.

Mr. GILCHRIST. Feed is already away up above parity and away up above everything that enters into its composition, anyway.

Mr. CANNON of Missouri. Mr. Chairman, there are four parties at interest here this afternoon—the farmer, farm labor, the consumer, and the Nation. Taking them categorically, this bill merely puts the farmer on a parity with every other businessman.

My friend who has just had the floor kept asking where shall we put parity. That is not the question. The question is, Where is parity? It is not a question of where we should put parity but where is parity, and this bill answers that question.

All of us here this afternoon are businessmen—or are we? All of us are familiar with the use of an adding machine in whatever business we may be engaged in determining the price of our product. We ring up first the cost of plant and equipment; we add in the overhead, maintenance, insurance, and depreciation; then the raw material. But the largest item added in—by every businessman in any business in the country—is the cost of labor.

In opposing this bill you are asking the farmer to violate the fundamental law of business—any business—and leave out of his computation of costs the most important item of cost. When any other businessman does that he ceases to be a businessman. He becomes a bankrupt

and the sheriff cries "How much am I bid?" If every other business adds in its cost of labor why should not farming add in the cost of labor. And if every other business goes into bankruptcy when cost of labor is not taken into consideration and add up everything except the most important item of all, how do you expect agriculture to remain solvent unless it follows suit—and especially in the depression years. As the gentleman very well said, we are legislating here not merely for today, not for tomorrow, not for the duration of the war but permanently. And certainly we must keep in mind that we are legislating for the days after the war when, in the inevitable collapse of farm prices that will follow demobilization, the farmers who have done so much to provide the sinews of war—will not find themselves so far below parity with labor and industry and transportation that farms can no longer be sold under the sheriff's hammer because there will be no one to buy.

Let us take the second party in interest. What stake has farm labor in this bill? It is written "Muzzle not the ox that treads the corn." And by the same admonition, we propose to enjoin in this bill, oppress not the man who drives the ox that treads the corn. Of all those malefactors about whose future after this life there should be any apprehension, those who exploit labor—labor in the factory or in the field—come first. But how can any employer, whether manufacturer or farmer, pay a parity wage unless he receives a parity price for his product? This is a bill not only to pay the farmer a parity price, but a bill to pay farm labor a parity wage.

And now the consumer. Hiding behind the consumer, those who seek to exploit the farmer and farm labor raise the boggyman of the cost of living. No one ever hears of the consumer or the cost of living when tariff bills are enacted, when wage-and-hour bills are up, when the transportation act is under discussion, when the coal bill, or the hot-oil bill, or the bus and truck bill, or any other bill increasing the cost of living and increasing the farmer's cost of production is being debated on this floor. But when we ask that those who have profited by all this legislation—taking money out of the farmer's pocket and putting it in the pockets of commerce, labor, and industry—pay the cost of production and a living wage for the wheat in their bread, the leather in their shoes, the cotton in their clothing, or the ham and eggs on their breakfast table, then our friends here beat their breasts and call to high heaven that the cost, sacred cost, of living is being increased 3 percent.

There is not a single item produced on the American farm that is selling for as much today as it sold for in the last war—although industrial wages and prices are twice what they were in the last war. And remember—and no one here will challenge the source of the statement—that the consumer is paying today less than half the percentage of his income he paid for food in the last war.

The real question today, so far as the consumer is concerned, is not whether he will pay the farmer a parity price and farm labor a parity wage for food, but the real question is whether he will get the food at all. If you have any doubts about that, go into the average food store here in Washington this afternoon and ask for half a dozen prime pork chops or T-bone steaks. And the situation today is but the mere forerunner of the situation 6 months from now. We cannot produce food without labor. And we cannot get labor unless we pay a parity wage. And we cannot pay a parity wage unless we receive a parity price. This bill is a bill for the consumer. What does it profit the consumer that the price of food on the bill boards and in the market reports is below parity—when there is no food to be bought at any price?

The CHAIRMAN. The time of the gentleman from Missouri has expired.

Mr. PACE. Mr. Chairman, I yield the gentleman 1 minute more.

Mr. CANNON of Missouri. But the real point at issue here today—the question beside which all other considerations sink into insignificance—is the question of winning the war.

Food is the most essential munition of war. We cannot win this war—and we cannot write an acceptable peace—without food. There is no apprehension about our supply of other munitions. We are producing at top speed and on schedule ample supplies of guns, tanks, planes, and ships. The one item about which there is particular concern is food. We must have food for our munition plants, our armed forces, our allies, and the armies of our allies. Without food, defeat is certain. This is a bill to produce sufficient food to meet our requirements. The great loss of labor on the farm is not to the armed forces in the draft but to factories which pay wages the farmer cannot afford to meet—even when the living conditions are considered. This bill will make it possible to protect, in some degree, at least, the scant supply of labor still on the farm. The bill is to that extent a war measure—a step toward victory.

In the interest of the farmer, in the interest of the wage earner on the soil, in the interest of the consumer, and in the interest of the Nation at war, there should be a unanimous vote of approval on the passage of this bill.

Mr. HOPE. Mr. Chairman, I yield 5 minutes to the gentleman from Iowa [Mr. CUNNINGHAM].

Mr. CUNNINGHAM. Mr. Chairman, I have never been able to find any sound reason given to me by anyone why the Bureau of Agricultural Economics left out of the original parity formula farm labor, particularly the hired labor of the farmer. I have had various ones attempt to explain to me why, but none of the explanations given to me were based on logic. As I see this bill, there can be only one possible objection to it, and that is the threat of inflation, if there is such a threat. The most you could say of it would be a possible small rise in prices. I say to you, as far as the farmers in my State are concerned, that if

there is any real danger of inflation, they do not want this bill. They want to do everything they can to win this war. Their boys are serving in the Army, and they are willing to have them serve there. What they want to do is to get on with the war and cut out the bungling and the foolishness, and particularly the questionnaires that are bogging them down. Leave the farmers alone, and they will produce the food, but at the same time give them the encouragement they ought to have and some incentive, as provided in this bill. What I find our farmers object to strenuously is the trouble they have to go to in order to get any repair parts for their machinery. If the farmer has a combine, a binder, a mower, or a tractor, or any other piece of farm machinery broken down, and there are three repair parts needed, and he can get priority only for two, you might as well not give him any, because he needs all three parts for the machine in order that it may function. In addition to that, when he breaks down and wants a repair part, he has to go to town to get it, and when you add to that the 12 to 24 to 48 hours necessary to go through various bureaus, filling out forms to get an order to get that repair part, then you are interfering with the production of food, and vital food in America, because the farmer's time is precious. So I say to you that what the farmer wants is to be given freedom and encouragement, to be let alone, and he will produce the food, because patriotism is the thing uppermost in his heart.

Coming now to the question and the only question that you can raise against this bill, and that is the threat of inflation, if any, how can there be any that is worth considering? When we discussed the amendments to the price-control bill in this House last October I checked with some of the markets in the city of Washington and found, for instance, that a certain size can of tomatoes sold on January 1, 1942, for 5 cents a can. On April 1, 1942, the price of this same can was 6 cents, and in August 1942, it was 11 cents, an increase of 120 percent to the consumer. Yet those tomatoes were all canned from the 1941 tomato crop and, obviously, the tomato grower did not get any of that increase. No; the increase of 120 percent all went elsewhere and not to the farmer. The threat of inflation is not from giving the farmer a fair and true parity instead of a false parity, but the danger of inflation comes because of what happens to the farmer's product from the time it leaves him until it reaches the mouth of the consumer. You can go into the markets and buy corn flakes, or Corn Kix, or shredded wheat, or whatever you want, and I say that you do not find the prices of those affected at all as the price of corn goes up or down a few cents a bushel to the farmer. I have noticed in my town over a long period of years that the price of loaf bread remains stable, and is the same when wheat sells for 60 cents a bushel as when it sells for 80 cents or 90 cents or a dollar, or goes back to 50 or 40 cents. That bread is the same to the housewife regardless of the price of wheat. How the rais-

ing of a few percent in the price of some staple commodities of the farmer in this bill is going to be any serious threat of inflation, particularly when we have the Office of Price Administration to regulate the prices to the consumer, is something that I do not understand.

The CHAIRMAN. The time of the gentleman from Iowa has expired.

Mr. PACE. Mr. Chairman, I yield 5 minutes to the gentleman from Virginia [Mr. FLANNAGAN.]

Mr. FLANNAGAN. Mr. Chairman, one of the chief troubles of the farmers in America today is that we are about to talk them to death. We cannot produce food by talk. We have been talking about the farm problem ever since this emergency arose. This is the first real honest-to-goodness effort we have made to improve farm conditions. I am glad that we have at last passed the talking stage, and are beginning to do something constructive.

Now we are met again with the old argument of inflation. Such talk, in my opinion, in view of what we have been doing, is pure and unadulterated nonsense. If increasing the wage scale from time to time will not create inflation, if increasing freight rates will not bring about inflation, if letting Government contracts on a cost-plus basis will not bring about inflation, then tell me how to allow the farmers to figure in the cost of labor will bring about inflation. Some seem to have the foolish idea that inflation can only be brought about by increasing farm prices. Strange reasoning, I must confess.

Now, they talk about increasing the cost of living 16 percent. Who said so? I would like to know who manufactured the figures. I know that figures do not lie, but I know that liars do figure, and in my opinion it took a monumental liar to figure out the 16-percent increase. Why, if wages are now frozen, if freight rates are now frozen, if rents are now frozen, the cost for processing food should remain the same. The only additional cost that the bill would impose upon the consumer should be the labor costs allowed the farmer, which would add very little to the consumer costs.

Now listen. We need food. The crying need of America today is for food and more food, and the time for action is here. We cannot fill the empty cupboards in America by talk. We cannot put food in the knapsacks of our soldier boys by talk. Let us get busy and do those things which will increase our food production. This bill is a step in that direction.

Now, there are those who say it would not do to give the housewife and the farm girl and boy something for their labor. In industry all labor costs from the president to the water boy, are figured in the cost of the finished article. Why should we, therefore, permit industry to figure in the cost of its labor and deny the farmers the same right? It just does not make sense. Now, we have got to do something to increase food production in America. Do not forget that. And remember we can stand a little inflation far better than we can stand a

food shortage. Food is vital to the winning of the war. Let us quit talking and produce it.

The CHAIRMAN. The time of the gentleman from Virginia has expired.

Mr. HOPE. Mr. Chairman, I yield 5 minutes to the gentleman from Wisconsin [Mr. HULL].

Mr. HULL. Mr. Chairman, it always seems odd to me that no matter what kind of a measure comes before the House for the purpose of aiding the farmers, improving their condition and remedying situations which have been deplorable for years, there is to some always a way to find technical objections to the passage of that particular legislation. This afternoon we have similar objections entered here, because we are attempting to remedy a wrong done to the farmers of this country, and I think a wrong done to many city people as well, in the so-called parity law that was passed almost unnoticed by this Congress a few years ago. That parity law was a fraud on the farmers, and it still is, because it does not provide actual parity of income. I do not know how that law was passed in the first place. I know this much, it was not drawn by a farmer. It was drawn by somebody who was opposed to the farmer and opposed to the farmer having actual parity prices or a parity share in prosperity. It has not permitted the inclusion of labor costs and other costs of production which are essential to an honest parity formula.

This measure before us is not a complete answer to the problem. Repeal of the present parity law and enactment of a cost-of-production law would be better, but this bill does go a little way in remedying the faults of the present law. It would include the cost of farm labor in fixing the parity formula on the prices of the farmer's products.

This afternoon we have heard, as usual, considerable about inflation. Every time a measure is brought here that proposes to put a dollar into the farmer's pocket, instantly the cry is raised that it means inflation, and all the blame for inflation will rest on the shoulders of the farmers who are laboring strenuously to furnish our food supply. So it is raised today. If you will read your daily papers, wholly regardless of your own investigations or your own knowledge and experience as to this food situation, you will recognize that there is another problem in this country, and you are going to face it in the next few months if something radical is not done to improve the farm situation. That is starvation. As between inflation and starvation, I think the average man, both in the city and in the country, would prefer a little inflation to a whole lot of starvation.

A few evenings ago I read an article on the contracts which are being let for war purposes this year. That writer, apparently well informed, stated that the contracts already let amount to about \$67,000,000,000. He went on to say further that every contract contained a provision that the labor employed must be paid the wage, must have the hours of work, which are prescribed



by the laws and the bureaus of this Government. He stated further, and I presume the estimate is correct, that a fee or profit allowed on the \$67,000,000,000 of war contracts was approximately 3 percent. If that writer was correct and the amount of the contracts let is accurate and the profit is as stated, that means a little over \$5,000,000,000 of profits that will go to 232 firms who hold the \$67,000,000,000 of contracts.

I am not an expert about the causes of inflation. They have been discussed so frequently and so elaborately that many are a little confused, but it does seem to me that when you put into the pockets of 232 corporations a larger profit than the total sale price of all the corn and all the wheat and all the other grains raised by the farmers of this country, you have got a far greater incentive for inflation there than you will have when you try to provide a proper farm parity formula such as we are discussing here.

Miss SUMNER of Illinois. Will the gentleman yield?

Mr. HULL. I yield to the gentleman from Illinois.

Miss SUMNER of Illinois. The gentleman was a member of the Banking and Currency Committee when Mr. Leon Henderson appeared before it. He said again and again, or agreed, that inflation came when your proportion of money in circulation was large in respect to the supply of goods, and when you do not have the price high enough for your farm products to raise the supply of food, and instead get the production lower and lower due to low prices, the relationship may become so small in proportion to the supply of money that that in itself would cause inflation. Is that not true?

Mr. HULL. That is just what is happening now.

Miss SUMNER of Illinois. I think that idea of inflation should be stopped right here. It is decreased production that causes inflation.

Mr. HULL. Absolutely. I thank the lady for her contribution.

Mr. CRAWFORD. Will the gentleman yield?

Mr. HULL. I yield to the gentleman from Michigan.

Mr. CRAWFORD. In December the Treasury went to the commercial banks of the country and obtained 5¼ billion dollars of inflationary money. The Treasury announced last week that in the coming month of April it will go to the banks for an additional 5 billion dollars. There are 10¼ billion dollars which has actually happened and which is to happen directly from the Treasury as related to this little inflationary spurt we are talking about today.

Mr. HULL. The gentleman is correct.

The CHAIRMAN. The time of the gentleman has expired.

Mr. PACE. Mr. Chairman, I yield 3 minutes to the gentleman from California [Mr. LEA].

Mr. LEA. Mr. Chairman, I think we all agree that the fundamental contribution the farmers of the country can make to the success of the United Nations

at this time is production. It seems to me so plain that all the costs of the farmer in producing his product should be included in the prices allowed him that I am unable to understand why those in the administrative sections of the Government refuse the farmer that cost so essential to his production.

I have taken the floor at this time principally to name one instance in order to illustrate what is happening in our State. Last fall a farmer wrote me that the day before he had begun gathering his beet crop. He gathered 25 tons the first day and his labor cost was about \$12.50 above the total price he got for his beets when he delivered them to the factory. The same thing could be illustrated by the cost of picking prunes. A farmer wrote me that his labor costs for picking his prunes increased 100 percent between the time when picking began until the work ended a few weeks later.

It is perfectly apparent to me that the farmer cannot meet his desire to support the war effort unless he is permitted to have prices to cover his costs of production.

California is a great producer of beets. The indications are today that there will be a very substantial reduction in the acreage planted this year as compared to the 1942 crop. The planting schedule is now far behind. The farmers lack that confidence in our farm administrative agencies which they must have to carry forward their work with confidence and zeal.

We face a choice between reasonable prices covering production costs or a shortage administratively created in our food supply.

The Nation is supporting industrial material costs and labor costs on higher-priced planes than ever before known in our history. An imposition of farm prices below the cost of production just does not fit into this picture. Persistence in such a policy will make impossible that supply of food which the farmers of the Nation desire to produce in this time of their country's need.

The CHAIRMAN. The time of the gentleman has expired.

Mr. HOPE. Mr. Chairman, I yield 5 minutes to the gentleman from Illinois [Mr. ANTON J. JOHNSON].

Mr. FORD. Mr. Chairman, I ask unanimous consent to place in the RECORD a resolution.

The CHAIRMAN. Is there objection to the request of the gentleman from California [Mr. FORD]?

There was no objection.

Mr. ANTON J. JOHNSON. Mr. Chairman, for over 10 years I have either been an actual dirt farmer milking cows and producing milk for the farmer or have been engaged in the manufacture of dairy products. I do not think there is anyone in the House who is more familiar with the intimate labor situation of the farmer than myself.

For years I have seen these farmers, the hard workers, stay on the farm. He is the man who gets up in the morning and starts at 5 o'clock or 4 o'clock, whatever you say. He milks his cows

and does his other chores. The average farm family today produces some cream in the form of butterfat that he does not have to market every day. We are not thinking about milk alone. Pretty nearly every farmer throughout the great Farm Belt produces some cream for butterfat. The whole family gets out in the morning and milks the cows. If you start in at 5 o'clock in the morning you must milk them again at 5 in the evening and there are long hours after 5 o'clock in the evening to do your chores, after the milking period is done. You figure the hours of labor and there are not many who want to follow that for the little pittance they have been getting out of it.

We have heard a lot about how this is going to cause inflation if we let the farmer consider his labor in computing parity. I heard on the floor the other day a statement that the farmer is getting plenty high prices for his hogs and cattle. To meet the statement that prices are higher now than they have ever been in all the history of the United States let us see what the facts are. In World War No. 1 hogs got up to 22 a hundred. Now they are around \$15 or \$16, and they are talking about fixing a ceiling at \$14.50, when they were \$22 in the last World War, and then we were not worried about inflation.

They talk about cattle. Cattle have got to about \$16 a hundred in America, and they do not get that for all beef cattle, either, that go to the Chicago market, and that is the biggest market of the country. Only about 2 percent of the cattle shipped to the market brings that top price of \$16 a hundred.

Miss SUMNER of Illinois. Mr. Chairman, will the gentleman yield?

Mr. ANTON J. JOHNSON. I yield.

Miss SUMNER of Illinois. In World War No. 1 they stabilized the price of pork but they deliberately put it at \$22 a hundred, twice what it had been before the war.

Mr. ANTON J. JOHNSON. That is right.

Mr. FORD. Then what happened after the war?

Mr. ANTON J. JOHNSON. That is beside the point. I am serious in this matter; I am not joking about the matter.

Mr. RANKIN. Mr. Chairman, will the gentleman yield?

Mr. ANTON J. JOHNSON. I yield.

Mr. RANKIN. I can answer the gentleman from California; I will tell him what happened after World War No. 1: W. B. G. Harding, Governor of the Federal Board, and his directors contracted the currency and broke every farmer in the country.

Mr. FORD. All right; but the farmers went broke after the war.

Mr. ANTON J. JOHNSON. Mr. Chairman, I refuse to yield further.

Now, hogs and cattle both are only about \$16. Cattle have not reached the high point they reached in 1937 when the cattle market in Chicago was \$19.50, and we were not worried about inflation then, nor did the farmer have a shortage of labor, nor was he paying a terrific price for older men who were not able

to do the work; he could get younger ones who would do it better. His costs are higher today, his help is scarcer, yet he is getting 20 percent less than what he got on the 1937 Chicago market.

Mr. CLEVENGER. Mr. Chairman, will the gentleman yield?

Mr. ANTON J. JOHNSON. I yield.

Mr. CLEVENGER. My colleague, I think, will agree with me that in 1918 in this encouraged market, in the free market, more than a million head of cattle were slaughtered under Government supervision than in any other year in this Nation's history. Is not that so?

Mr. ANTON J. JOHNSON. That is right.

There is just one thing more about this bill: We want now to make it mandatory to take into consideration the cost of farm labor in computing parity. I want to say to you folks in all earnestness that neither you nor I nor any of us have any right to sit down to a table and enjoy a bountiful meal realizing and knowing full well that in these times of high wages and high production cost the poor farmer is not being paid what he is entitled to for producing it.

The CHAIRMAN. The time of the gentleman from Illinois has expired.

Mr. PACE. Mr. Chairman, I yield 5 minutes to the gentleman from North Carolina [Mr. COOLEY].

Mr. COOLEY. Mr. Chairman, the distinguished gentleman from Illinois [Mr. DIRKSEN], who addressed the House a moment ago, is always eloquent, logical and persuasive. His efforts in opposition to the pending bill have been rather laborious and his arguments have not been convincing. It is difficult for me to understand his position in view of the fact that the corn farmers of his State are today receiving 22 cents a bushel below parity. He is apparently afraid that by establishing a more equitable parity formula which will advance the parity for corn from \$1 to \$1.16 a bushel, we will disturb the farmers and perhaps cause them to march on Washington for the purpose of urging us to artificially lift the actual price to the parity price provided in the new formula. Frankly, I do not care whether the new formula will increase the price 3 percent, 16 percent, or 116 percent, if it takes that to give the farmer fair treatment. We are not justified in continuing an unfair parity formula merely because certain commodities have not yet reached the established parity. I have always favored equality for agriculture. Agriculture, even in this great emergency, is still the art of arts and the mother of all arts, and it is still the nursemaid of all industry. Upon agriculture all forms of life must ultimately depend. Agriculture will play a large part in our final success in the conflict in which we are now engaged.

If we should strike down all of the trade barriers and repeal all of the tariff laws and free the farmers of America from the shackles of control, American agriculture would ask no favors at the hands of our Government.

Mr. ARENDS. Mr. Chairman, will the gentleman yield?

Mr. COOLEY. Yes; I yield.

Mr. ARENDS. I know the gentleman is in favor of parity for the farmer in every respect, but I am wondering if he has any suggestion to make as to how parity is to be given the farmers of America ultimately if he is not to come to the Treasury and ask for a check?

Mr. COOLEY. My only suggestion is that if the Office of Price Administration would lift the ceilings then the corn farmer might receive parity for the products of his toil.

This bill will not, in my opinion, cause inflation nor will it greatly increase the cost of living. Today less of the consumer's dollar is being used for food than at any other time in the history of our Nation. I believe that even the consumers of America are willing for farmers to have fair prices for farm commodities.

The farmers of America are anxious to contribute in every way to the complete success of the war effort. The farm families of our country are not only producing food and fiber for the supply lines of our military operations, but, inspired by zeal to win this war, the farm families of America have contributed their sons to the armed forces in countless numbers and they should be given every encouragement—certainly the slight encouragement which is offered by the pending measure.

Mr. HOPE. Mr. Chairman, I yield 5 minutes to the gentleman from New York [Mr. EDWIN ARTHUR HALL].

Mr. EDWIN ARTHUR HALL. Mr. Chairman, I care not what political considerations would dictate to me to do otherwise, I expect to support this bill in its entirety. I hope we can pass this today because it provides at last for the cost of farm labor to be included in the farmer's cost of production.

Last fall I for one was very much incensed when the farmer, who has recently been picked on and blamed for a lot of economic ills, pointed to as the profiteer, as the gouger, as the one who was taking advantage of the war effort and demanding a higher price for his commodities and goods. I for one intend to stick with the farmer because I feel that he is sincerely trying to produce food for freedom.

As far as inflation goes, you can say that has been here for a long time. For the life of me, I cannot understand why the farmer has been blamed by various other groups in the country as being the tool and the agent of inflation. I insist, Mr. Chairman, that simply because he has been inarticulate, because he has been unable to defend himself, he has been blamed for the bugbear of inflation. You will recall that last fall, just before the heated campaign into which many of us were plunged, all through the newspapers of the country the farmer was accused of being responsible for the terrible economic situation in which the consumer found himself. As a matter of fact, inflation had been here for some time before. The farmer was simply singled out and blamed for something for which he had no responsibility at all.

We are reminded that among the ancient Hebrews in Bible time, at the beginning of each year a goat was brought

forth from the multitude and blamed for the sins of the entire populace. This was supposed to let the people go free, and the goat, himself, caused them to escape the ire and the rancor of a just God. The farmer has been the scape-goat of the American public. He has been accused of every sin on the calendar because he did not have the power to strike back and did not have the articulate expression to answer his accusers.

I submit that this Congress must take the power into its own hands and give justice to the last vestige of strength of the American public, namely, the farmer, to save the food-for-production program, which you and I must have if we are to win this war. The farmer has just as much right to consider the cost of labor and to include that in his production cost as any other group in our economic body.

Mr. BURDICK. Mr. Chairman, will the gentleman yield?

Mr. EDWIN ARTHUR HALL. I yield to the gentleman from North Dakota.

Mr. BURDICK. Suppose that this action here today should increase the price of wheat 5 cents a bushel; would that have any effect whatever on the cost of a loaf of bread to the consumer?

Mr. EDWIN ARTHUR HALL. It would not have any effect whatever unless the powers that be should purposely juggle the price of a loaf of bread higher to make it appear that the farmer is to blame and put him once more over the well-known barrel.

The CHAIRMAN. The time of the gentleman from New York has expired.

Mr. PACE. Mr. Chairman, I yield 5 minutes to the gentleman from California [Mr. VOORHIS].

Mr. VOORHIS of California. Mr. Chairman, as far the inflation problem is concerned, I repeat once again what I have told the House before, that the inflation problem is summed up in this one fact, that in the year 1942 the United States Government sold \$19,000,000,000 of interest-bearing bonds to the banks of this Nation for demand deposits newly created on their books. This was all new money created by the private banks. Here is the real problem of inflation.

Now as to the Pace bill. It is no argument against this bill to point out that in certain instances farm prices have not been fixed at a parity level, as they should have been according to law. That is one problem that must be met. But it has no bearing on the issue which the Pace bill presents.

The thing we have before us here is a proposal that in computing parity prices the cost of farm labor shall be included as one factor therein so that increases in farm labor wages will be reflected in the prices farmers receive for their crops. Quite properly there is no ceiling or attempted limitation on farm wages. Clearly there ought to be no such limitation. For surely all will agree with me that basically and fundamentally the reason for the shortage of farm labor is the fact that through the years the average income of the farmers and the people who work for them has been substantially and seriously below the average income of other groups in the popula-



tion. This bill will not cure that situation but it will help. It will mean that we will enable the farmer to pay increased wages when necessary without being squeezed to death under a rigid ceiling price. To the extent that he can help to solve his labor shortage problem by increasing wages he will be able to do so without putting himself in a position where the ceiling over his price is so low that he simply cannot meet the cost of production out of his selling price.

Mr. BROWN of Georgia. Mr. Chairman, will the gentleman yield?

Mr. VOORHIS of California. I yield to the gentleman from Georgia.

Mr. BROWN of Georgia. Many are under the impression that the passage of this bill would raise the living expense of the consumer to 115. That is not true, because less than one-third of what the consumer buys for a living is food.

Mr. VOORHIS of California. That is right. Further, no such increase could take place because a great many prices at the present time are in excess of parity and are in excess of what parity would be even under this bill. Those prices would not be increased at all.

I may say this to the gentleman, that there is another factor that needs consideration in connection with his observation. Suppose the price of a certain farm commodity, we will say poultry meat, is allowed to be increased from 34 to 40 cents, a 6-cent increase. The increase to the consumer ought to be 6 cents a pound, and it would be if we do not permit a percentage increase in the margin of all the people who handle it between the farmer and the consumer. The increase to the consumer ought never to be anything like as big a percentage of the price to him as the percent of increase received by the farmer, for of the cost to the consumer of food in the store only about one-third goes to the farmer.

The first argument I want to make for this bill is the one I have just made. I believe the income of farm people, farm owners who work on their farms and people who do the hired farm labor, both, must be brought more nearly into line with the incomes of other groups in the population of the United States.

The second thing is the matter of food production. The principle of securing maximum food production in this country has to be superior today to the effort to hold prices at a rigid level. The first and primary consideration has to be to get maximum production of food. By assuring the farmer of a price which will include his increased cost of labor we will take an important step toward making it possible for him to hold up his production. I do not see how anyone can dispute that fact.

The principle that ought to govern ceiling prices is that those ceiling prices should be real ceilings in every case, by which I mean a price high enough so that even the small farmer can continue in business. I have facts in my possession as to milk, poultry, rabbits, and some other farm crops in my own section which indicate that whereas it is possible for the large-scale producer to get by,

the little fellow is going out of business. That simply ought not to happen—especially not now. Food, as has been said, can win the war and the peace. But we must be sure we do not fail to produce every ounce we can. It will be needed desperately, and I believe this bill will help. It will mean a somewhat higher parity and hence if the law is followed, a somewhat higher ceiling price, and as to some farm commodities I am convinced that is needed. In the case of oranges, one of the greatest sources of vitamin food that exists in the world today, I wish to say a few things. In the first place, ceiling prices were put on citrus fruits before they were put on any other type of fruit at all. Why, I do not know. In the second place, a parity price was not granted, but a comparable price instead. In the third place, instead of using the period 1919–29 as base, which has always been done in the past, the Department used the depression years 1933–40. The result is that though the crop is short and labor costs are up 25 percent to 50 percent at least, the ceiling price for oranges today is 70 cents below parity. This bill would help because by raising the parity index generally as it would do, it would compel an upward revision of comparable prices as well.

The Pace bill is not a complete solution to our farm and food production problem. But I believe it is just, I think its basis is sound, and I am hopeful it will pass the House.

The CHAIRMAN. The time of the gentleman from California has expired.

Mr. HOPE. Mr. Chairman, I yield now to the gentleman from Washington.

Mr. HORAN. Mr. Chairman, we now write into the parity formula a provision that never, never should have been left out.

How can you determine parity without considering every cost that goes into the production of farm commodities?

It is, of course, true that this action comes with tragic lateness.

Parity, today, means little beside the great need for farm machinery now; and the great need for skilled farm labor now.

Yet this action is just. It will encourage the farmers. It will assure them of our desire to help them in this hour. And if it is inflationary, what of the spirit of our labor laws and defense plant subsidies?

Mr. HOPE. Mr. Chairman, I yield 5 minutes to the gentleman from Kansas [Mr. REES].

Mr. REES of Kansas. Mr. Chairman, this legislation, intended to provide a little nearer to a parity price for farm products, may help a little, but it is my opinion too little and very late to do very much real good. Of course, a farmer is entitled to have a price for his products on parity with any other class or group, and it should be based on the price he pays for things he buys.

But, Mr. Chairman, there are fundamental things that must be considered as a part of the problem, which seem to be overlooked. The question of food production must be considered as a part of the over-all war program. It is one

of the most essential of war products. We don't have enough of it right now. The shortage is such that we are not able to meet the demands now. So the first thing to be considered is to see that, so far as possible, we meet the food shortage crisis as nearly as we can. Let it be understood—and I repeat what I have said before—the farmer is the last one who wants inflation in this country. So the matter is to see that the producer is given every encouragement and every opportunity to provide just as much food products as he possibly can. The goal, I mean our commitment, is five times what it was 5 years ago. In order to feed our armed forces and take care of our civilian demands—even under rationing—and to nearly meet our promises abroad, we will have to produce in 1943, 25 percent more than last year. It must be done with less manpower and with less machinery and repairs.

Mr. Chairman, this is no time to hamstring or curb the farmer in any way. Why not cut the red tape that has been wrapped around him? Let him have a little relaxation from a lot of rules and regulations that are holding him back. Give him more of a free hand and encouragement. Permit him to have a little more equipment and repairs where it is so much needed. Give the local draft boards more authority in farming areas to determine whether a man is more essential in the war work, on the land, or in the Army.

Let it be understood that to do a real good job of farming and producing food is just as important as a part of the war activity as to be employed in a munitions plant.

Mr. Chairman, the farmer is not concerned about the hours of work. He and his family are glad and willing to work long hours to meet the demand made upon them. Do not forget their boys are in the armed forces, in the four corners of the world today. Thousands of them have already been under fire. Hundreds of thousands more are destined to meet the onslaught of the enemy within the very near future.

Mr. Chairman, it ought to be remembered that on the average of all food products the farmer gets less than 50 percent of what the consumer pays for it—and that in the case of the products that are affected by this measure the producer gets between 15 and 20 percent. I mention this for the reason there seems to be an erroneous assumption that the farmer gets the benefit of the increase of all prices paid by the consumers.

Mr. Chairman, the American people are willing to be rationed so long as it is done in a reasonable manner, in order that the men in the armed forces may have an abundant supply. They are glad to share the food supply with the Allies who are in need of it.

Mr. Chairman, all the farmer wants, and all he asks, is for a fair, square deal. Give him that and he will do his part—and then some.

Mr. COOLEY. Mr. Chairman, I yield now 5 minutes to the gentleman from Texas [Mr. FOAGE].

Mr. POAGE. Mr. Chairman, on previous occasions I have spoken, and others have spoken, emphasizing the farmer's need of this bill, which simply provides for the inclusion of farm labor costs in calculating the parity price formula. Today I want to address myself to the millions of fair-minded Americans who live in urban communities and to their representatives.

I confess that I am doubtless prejudiced in favor of the farmer inasmuch as I have the honor to represent one of the greatest agricultural districts in the greatest agricultural State in the Union. In addition, I was myself reared far out in the country, 30 miles from the nearest railroad. I have been closely associated with agriculture all my life, and the little property I own consists entirely of Texas farm land. I can, therefore, rather naturally see the farmer's side of the problem.

On the other hand, I have for nearly 30 years lived in the city of Waco, the largest city of central Texas. For more than 6 years I have spent most of my time in Washington, where living costs have consistently remained higher than in almost any other section of this country. As a consumer, I have personally experienced the problems of the city dweller. I am not unmindful that nearly three-fourths of the people of America live in nonfarm families and are personally and selfishly interested in the farm problem only from the viewpoint of the consumer. What does this bill mean to you, Mr. and Mrs. City Dweller?

There are those who have mistakenly assumed that this bill simply means higher prices for the consumer. This is a serious mistake. The able gentleman from Georgia has pointed out that this bill would not and could not have the effect on prices that some have recklessly charged. I think that it is fair to say that this bill will not increase the cost of living more than 3 percent. Is that an unreasonable or unfair increase? Before answering that question, I think we should know something of the percentage of the income of the nonfarm family that goes to the purchase of food.

According to the Department of Agriculture, the income of the average nonfarm family amounted to \$1,013 in 1914, and of this income \$334, or 33 percent, was spent for food. In August 1942 the income of the average nonfarm family amounted to \$2,366, and of this income \$514, or only 22 percent, was spent for food. In other words, the nonfarm family is now using only about two-thirds as much of its total income for food as it did before the first World War.

Surely it cannot be said that the city dweller is today spending an unreasonable share of his income for food. Much less can it be said that the farmer is getting an unfair share of the food dollar. In 1917 the farmer received 60 percent of the food dollar whereas in 1942 he received only 53 percent. Even so it is natural for city folks to feel that the farmer is to blame for any increase in the cost of living. Just a short time ago, the gentleman from New York called attention to the fact that his people were

paying 25 cents per pound for cabbage. Just last Saturday, the Department of Agriculture issued an order establishing prices for a number of vegetables. The price of cabbage was fixed at \$12 per ton—\$12 for 2,000 pounds, or three-fifths of a cent per pound. Surely the farmer was not the profiteer who imposed on the housewives of New York City. As a matter of fact, the testimony before the Agriculture Committee has been that the drayage costs alone within New York City on a carload of vegetables from Florida or Texas often amount to more than the entire sum paid to the producer. Maybe it is the avarice of the gentleman's own constituents in New York City rather than the overreaching of the farmers that accounts for the prices of which the gentleman complains. In this connection, it would be well for all of us to remember next summer when we part with cash and ration coupons for canned tomatoes or corn that the farmer of my State who might have grown those vegetables received only \$22 per ton for the tomatoes and \$17 per ton for the corn.

But it may well be that next fall you will not be able to get canned corn or tomatoes at any price. Certainly you will not be able to unless the farmer can make enough to pay his ever-increasing labor costs. Farm wages are still low, unfairly low, when compared to industrial wages, but they are far higher than they were and they have been increasing faster than has the farmer's income. I would like to see farm workers get a better income. I would like to see the tenant farmer and the little home-owning farmer with a big mortgage on the place get a better income. In order for any of these neglected people to receive an increase in income we must be willing for the farmer to increase his prices by the same proportion as farm wages increase.

Nor need the increase reflect any substantial burden on the budget of the city dweller. All of the 130,000,000 people of the United States are consumers. Only 29,084,000 live on farms. Of these, the gentleman from Georgia [Mr. PACE] has shown only 8,425,000 are actually farm workers, including all hired farm workers, all farm operators, and farm family workers. The wages of this relatively small group can be appreciably improved without imposing any unfair burden on the rest of us. This group of workers is actually producing all of the food for our own people and much of that consumed by our allies. I know that many of us in cities will try to grow a victory garden, and I believe that we will be able to contribute somewhat to the need of the Nation in that manner. I am, myself, preparing a garden and so are some of you, but we realize that we must nevertheless look to those who are toiling long hours on the farm to actually produce the great basic commodities on which our Nation and our allies must depend. If we are to expect these eight and a half million workers to produce the food needed by our country and our allies, we must be willing to do everything possible to keep these people on the farm. We cannot offer short hours.

Farm work requires long hours. We cannot offer air-cooled buildings. Farm work must be done in the broiling sun. We cannot even offer many conveniences. Farmhouses are not equipped with the conveniences we furnish in defense communities.

How then can we hope to keep these essential farm workers at their jobs? Gentlemen have pointed out that this bill could not produce any new labor. Of course it cannot, but if we pass this bill we can hold out some little hope to those who toil on the farm that they may enjoy a slightly greater reward. It did not create any new labor when the United States Government let "cost plus" contracts for the construction of ships, airplanes, and munitions of war at prices far beyond the wildest dream of the industrialists and of the labor unions. It did, however, result in higher wages and it got the men into the plants. We are turning out the ships, the planes, and the munitions. I realize that the high wages offered by these industries have done much to create the serious shortage of farm labor which confronts us. Why should we not apply the same principles to agriculture? Surely if the payment of attractive wages has obtained the needed labor in shipyards, it seems reasonable to assume that a similar policy applied to agricultural labor might contribute something toward securing the labor needed for farm production.

But remember, you cannot pay a reasonable wage on the farm unless the farmer has something with which to make the payment. The only source of money the farmer has with which to pay any wages is what he gets from the sale of farm products.

I know that there are those who have said that this bill would involve such a small increase in prices that it could not affect farm wages very greatly. As a matter of fact, the bill works the other way. It will have no effect on parity, and, therefore, no effect on prices, unless farm wages have advanced, and then it will be effective only in proportion to the change in wages. But of one thing we can be absolutely sure—the passage of this bill cannot reduce farm production. Nor can it add a single cent to the cost of living unless farm wages are increased. In other words, my city friends, this bill cannot cost you and me anything unless it gets some results. If it gets any results, it will be helpful. Every bit of production that we get on the farms of America makes it that much more certain that you and your family will have all you want to eat next winter. Those of us who live in town are much closer to hunger than the man on the farm. If we refuse to make it possible for him to carry on his commercial operations, he can still produce much of what he needs, but you and I are going to find ourselves in a much more serious condition. Therefore, as I see it, this bill is even more vital to the people of urban areas than it is to the farmers themselves.

The CHAIRMAN. The time of the gentleman from Texas has expired.



Mr. HOPE. Mr. Chairman, I yield 5 minutes to the gentleman from Pennsylvania [Mr. Gross].

Mr. GROSS. Mr. Chairman, I have listened this afternoon to the debates on this farm problem. I was thoroughly amazed when that splendid and able gentleman from Illinois made the charge that to give the farmer just a little more would not help to solve the problem. Maybe not the manpower problem, but I know how the farmers of this country have worked and worked and worked, without any promise of anything except just an opportunity to pay their bills, and they were happy if they got them paid. I know if they can see just that much and a trifle more, they will produce much more than they have been producing.

The gentleman was terribly concerned about corn meal getting high, and he said it will take more millions for corn and wheat. So what? If the farmer earns it, why should he not have it? In industry a plasterer will not drive a nail. An electrician will not do anything except put up wires. Down on the farm, the farmer is his own electrician, his own blacksmith, his own horseshoer, and my friend from Illinois says that the wife who hauls the milk to the creamery will have to be paid. Why should she not be paid? She cares for the chickens; in many cases helps in the fields; in the dairy milks cows. She does all these other things; she does the laundry, the canning, raises the children; she has no kindergarten to send them to. Why should she not be paid? How are we going to raise the food to feed all these people? Nothing will create scarcity in a shorter time than just this thing of making it unattractive to the producer.

Recently I had to have a bearing for a tractor. I usually got it for about \$3. I drove 30 miles to find that I could not get it. After going to a fourth place I got one for \$8.90. The mounting costs must be paid. If you want food produced in times of peace or in times of war, you must make it attractive. If I do not pay my hired man he quits. If I do not make it attractive for my children to remain at home on the farm and enjoy some of the things that the boys and girls in town have got, they do not stay. I am concerned about the future of the agricultural situation of this country. I am concerned about it because I know that people have to eat, and people are going to eat. The people around Washington who really know the inside are fearful of food riots during 1943.

There is no reason why this bill should not be passed. This argument about inflation is too thin. In the light of past experience, there is not any farmer who is going to accept this argument that to give him what he has earned and what his family has earned and is entitled to is going to produce inflation. We lived through the World War No. 1 and 1937 when prices went up. We did not hear this argument then. I do not know where the enemies of the farmers are getting the ammunition that they are trying to hurl at them. I know plasterers in the industrial sections of the country

when they want a scaffold raised they just wait for the carpenter to come along and raise their platform. So it goes. I am willing to stake the best I have got in the interests of the small farmers of this country.

I am telling you he is not getting too much, not nearly what he earns. I live in just as prosperous an agricultural community as there is anywhere. I know there are a lot of farm boys and girls who used to go to Sunday school. When you go to the parents of these boys and girls and ask why they are not going to Sunday school, the first things they say is that they do not have money enough to get the kind of clothes they ought to have. So, I want to tell you gentlemen, from wherever you come that we must do something for the farmers of this country, to make it possible for them to dress and enjoy the same standards of living as is enjoyed by those employed in industry.

The little asked for in this bill is money they have earned and will scarcely increase the cost of what they produce, things are going to be a whole lot worse, if we don't get increased production. Scarcity will raise cost of food. Increased production will help to keep it down. I would rather see plenty so every one would have enough and not so high.

I also want to say that those who are producing milk have got to produce it now by hand, because they cannot get milking machinery and we have no right to deny them a reasonable price for their milk.

Mr. BURDICK. Mr. Chairman, will the gentleman yield?

Mr. GROSS. Yes.

Mr. BURDICK. The figures indicate that about 1,600,000 workers have left the farms and gone into industry. Does not the gentleman feel that if we can give the farmer a little money to hire labor, he will be able to keep some of them on the farm?

Mr. GROSS. The gentleman is entirely right. The farmer has only one harvest during the whole 12 months of the year, so we better encourage him for if he fails we do not eat, and then, too, we may lose a war and even the peace.

The CHAIRMAN. The time of the gentleman has expired.

Mr. PACE. I yield 5 minutes to the gentleman from Tennessee [Mr. McCord].

Mr. McCORD. Mr. Chairman, we are living in an era when everything is transpiring with greater rapidity than at any time in all human history. We are living in a troubled world, a world at war. We are facing a ghastly fear every day that we live that we are going into another era of the worst hunger condition that ever existed in all time.

I come here this afternoon to talk to you about placing the farmer in a better position, and to ask that he may be privileged, if you please, to compute the cost of his labor in his production. Notwithstanding the fact that we are in the face of this hungry world, that has to be fed, the American farmer more than any other human being on earth must also

make the contribution that will enable us to so feed our armies that victory may be ours. Our boys in uniform, the boys of America on battle fronts all over the world are looking to this Congress for the answer to that question as to whether or not those things that are necessary to fight to a glorious victory are going to be provided for them.

In the passage of this bill, of course, its primary purpose is to permit the farmer to figure the cost of his labor in order that he may secure some additional revenue, but far greater than that in its importance, is the further fact that the passage of this bill will enable the farmer to go on to greater production than he will be otherwise in position to do.

We passed a bill here this week providing some \$26,000,000 to import labor, but we must face this fact that if that labor comes in, it is an inexperienced kind of labor that is going to be more expensive to the farmer because of that very fact.

Another thing that increases the cost of labor on the farm is that a lot of farmers' sons are in the armed forces; others of them have gone into industry and there are left to him the older people, decrepit people on whom he must depend to do the dirty work around the farm, and it is not as efficient as the younger boys and men have been. Consequently that results in an increased cost to him.

Let us think for a moment of the conditions confronting the dairy industry. We find in this report, on page 13, that the Office of Price Administration says this:

The price of milk must be kept down.

The farmer could not pay the increased wages under a cost-plus contract and sell his milk at a price that would leave him nothing except to drive his cows to the slaughter.

When the farmers' hired help takes a bucket that he sets under the cow when he milks, every item of labor in the production of that bucket is computed before it was priced to the farmer. He pours the milk into a can on which the same condition exists. That milk can is set up on an automobile, and every cost of industry that brought it into being is figured, including labor, before the price of that truck was fixed. That milk is taken to the conditioning plant, or to the creamery, where it is poured into a vat on which every item of cost of labor in the production of that vat was computed before he was privileged to use it.

Consequently I say to you that the most unjust thing that this Congress could do would be to deny that farmer the right to compute the cost of his labor as part of the price of the product that he wants to put on the market. And they produce, if you please, the most essential of all things next to munitions themselves in the winning of the war.

I hope that you have an open mind on this. I am persuaded by the arguments that have been made here that there is an overwhelming desire on the part of this Congress to give the farmer

folks this opportunity. "May I call attention, Mr. Chairman, to the fact that the first English settlement on this continent was established in 1607 and it required 169 years of the stalwart character of American manhood to win our independence. If this war is a long one and it continues until 1945, we will be 169 years this side of 1776. Is it possible that Americans have degenerated? I say not so. I believe that we are the same stalwart characters that were produced in those first 167 years and that America today is as safe as in any period of its history. But I must admonish you that the answer to the question as to whether we are or not belongs to the Seventy-eighth Congress and I appeal to you to give the farmer this increase.

The CHAIRMAN. The time of the gentleman has expired.

Mr. HOPE. Mr. Chairman, I yield such time as he may desire to the gentleman from Ohio [Mr. BREHM].

Mr. BREHM. Mr. Chairman, the discussion concerning this bill reminds me of a little verse which goes something like this:

Oh, the comfort, the inexpressible comfort,  
of feeling safe with a person, having neither  
to weigh thought nor words, but pouring  
them all right out, chaff and grain together,  
confident that a faithful hand will take them  
and sift them, keeping what is worth keeping  
and with the breath of love and kindness  
blow the rest away.

I am thankful that more grain than chaff has appeared in the discussions here on the floor and I trust that we will keep the grain and with the breath of love and kindness blow the chaff away by passing this bill.

Mr. PACE. Mr. Chairman, I yield such time as he may desire to the gentleman from West Virginia [Mr. RANDOLPH].

Mr. RANDOLPH. Mr. Chairman, the gentleman who has just preceded me has used verse and I will follow in his footsteps by quoting:

The doctor heals; the lawyer pleads;  
The miner follows precious leads;  
But this or that, what'er befall  
The farmer—he must feed them all.

Mr. Chairman, the farmers of this country are contributing to the winning of the war. They, and their families, are laboring long hours to produce the food-stuffs which sustain our fighting forces and our defense workers. In West Virginia our 1943 agricultural yields will likely be less than last year. If such a reduction is general throughout the country we will face a tragic condition.

I trust the passage of this legislation today will be a further step in the right direction of bringing help to those who actually need assistance. The farmer certainly is justified in asking Congress to allow the full cost of production, in the price of his commodities, and in this cost I am advised labor represents 32 percent.

Mr. PACE. Mr. Chairman, I yield such time as he may desire to the gentleman from Florida [Mr. SIKES].

Mr. SIKES. Mr. Chairman, immense stores of food and fabric and the tools of war are needed for our Nation's great

wartime activities. A monumental task confronts the people on the home front as well as the men in the armed forces. And this task is not limited to our own borders, or to our own battle fronts. America must be the arsenal and the granary of all the democracies. And we know that food is just as important as guns. No greater responsibility has ever confronted a nation's farm people.

How the farmers are to accomplish this Herculean task in the face of an acute and growing shortage of manpower added to an already critical need for labor-saving machinery and equipment is a problem.

From the beginning of the defense and later the war program when industry was called upon to expand war production in this crisis, it asked for, and got, unlimited assistance from the Government. It received relief by the Selective Service System in the form of occupational deferment of skilled workers.

It obtained financial assistance from the Reconstruction Finance Corporation, where it was needed to expand facilities. It had priority assistance on materials for plant construction and equipment. On top of that, industry also has customarily received guaranteed profits written into negotiated contracts.

The treatment accorded the farmers has been strikingly different. The Government called upon the farmers to expand output to meet the Nation's war needs last year. The farmers did the job in magnificent fashion, increasing agricultural production by 12 percent over 1941 levels.

But instead of assistance from the Government comparable to that extended to industry, it lost approximately 2,000,000 of its labor force to the draft and to defense industry which was able to pay higher wages. It had to take a back seat in securing priority assistance for farm improvements and equipment. It had to struggle along with an allotment of new farm machinery of only 83 percent of 1940 production. For 1943 the War Production Board proposed that the farmers get along on an allotment of only 23 percent.

Instead of getting full recognition of its right to a reasonable profit, as any industrial contractor does when he negotiates a contract with the Government, agriculture got a severe public scolding.

Today the Nation's agricultural leaders are pleading for production, but their crop production remains geared to the slow-down program of the thirties. Weak spots in our national farm program have recently made necessary the slaughter of thousands of valuable cattle by farmers who are no longer able to carry on their dairy operations.

Surely in the most productive country in the world there are direct, simple ways to achieve needed production. The spur of war necessity serves as a stimulus. New methods are being devised to encourage greater production and to promote the use of farm products in industry. Agriculture will help to find itself by providing needed or even presently unexplored services. But in final anal-

ysis, we come to this: Needed food production and permanent farm prosperity can be assured if the farmer is placed on a basis of national partnership rather than that of Government beneficiary.

Obviously agriculture, the oldest and the largest and perhaps the most essential of the industries, has not received a just share of the national income for many years. Workers in other industries enjoy wage-hour legislation, accident insurance, unemployment compensation, and now the highest wages of all time. But a better return for his crops, improved living conditions on the farm, and a measure of the security which has blessed so many Americans has been denied to the farmer. He has, through the years accepted starvation prices for his products. Even today he must depend upon Government benefit payments for a part of his inadequate income. With or without benefit payments farm crop prices do not reflect the cost of production and they are too low to encourage the necessary production.

By any standard of comparison, farmers must have more money for their products or there is no way for them to overcome mounting costs of production and scarcity of labor. Let us remind ourselves that they are the people who must feed our Nation, its soldiers, and our allies. Justice requires that they receive a fair return for their efforts.

There is before us today a measure which insures to the farmer a return for his labor, and the labor of his family. Can there be anything unfair or questionable about such a step in a Nation which prides itself on justice to its workers?

The Congress knows well the gravity of the food shortage, which is almost certain to come with harvest time. The Congress knows that the halting and uncertain steps which are being taken by the Nation's farm leaders to encourage food production are too little and too late. Congress can help to salvage the Nation's food-production program by the passage of this legislation, and it can help further by embarking boldly upon a course which will guarantee simple justice in the American way to the Nation's farm population.

The farmers, Mr. Chairman, will do the rest. For there is no lack of patriotism among farmers. Their creed is Americanism in its simplest form—Love of God and love of country. They have responded patriotically to every demand, whether for great production or for great sacrifices. They are anxious to feed the millions who look to them. They will fight a good fight, but they need help. They need Nation-wide understanding and sympathetic appreciation of agriculture's problems. And they need leaders who are unafraid to place in the hands of the farmer the tools he needs for the job of feeding the world.

Mr. PACE. Mr. Chairman, I yield such time as he may desire to the gentleman from Louisiana [Mr. LARCADE].

Mr. LARCADE. Mr. Chairman, my district is one of the largest and most important agricultural districts of the United States, and we grow not only



corn, cotton, rice, potatoes, soybeans, hay, truck, but many other important agricultural products now so necessary to supply food to our Army, Navy, and civilians, and notwithstanding the many controls and injustices beaped upon our farmers and the industry, our farmers are patriotic, and are contributing in every way possible and to the fullest extent in doing all that they can to increase production of agricultural products, in order to win the war.

But Mr. Chairman, we have an opportunity here in this bill, the Pace bill No. 1408, to give our farmers, and the farmers of the United States, recognition for including labor costs in the parity price formula, and I am frank to say that I believe that the fairness, logic, and economic need for same has been proven in the arguments heard here today, made by the leading Members of Congress so well versed in agriculture, beyond any question of a doubt. Especially do I urge every Member of this Congress to give his best consideration to favorable action on same. The majority of my constituents are in favor of the enactment of this bill, and at this time I would like to include in the record a copy of a telegram received just a few moments ago from the American Rice Growers Association:

LAKE CHARLES, LA., March 19, 1943.  
Congressman HENRY D. LARCADE:

We urge vigorous support of Pace bill including labor costs in parity price formula.

HOMER L. BRINKLEY,  
General Manager,  
American Rice Growers Association.

Mr. PACE. Mr. Chairman, I yield such time as he may desire to the gentleman from Texas [Mr. RUSSELL].

Mr. RUSSELL. Mr. Chairman, I am highly in favor of this bill. The only regret I have is that it was not passed some time ago.

Mr. PACE. Mr. Chairman, I yield such time as he may desire to the gentleman from Montana [Mr. O'CONNOR].

Mr. O'CONNOR. Mr. Chairman, I favored the substance of this bill in 1942 when the original Price Control Act was before the House, and I favor this bill. I will speak more fully later on in the debate.

Mr. HOPE. Mr. Chairman, I yield the remainder of my time on this side to myself.

Mr. Chairman, I am supporting this measure as one to give simple economic justice to the farmer. I do not know of any business which can fix its prices upon any other base than to use all costs, including the costs of labor. All that this bill does is to say that in determining what constitutes a fair agricultural price there shall be taken into consideration the cost of labor. I do not know of anything that is any sounder or fairer from a business and economic standpoint than that.

I want now to refer briefly to the history of parity legislation. As you know, for many years this question of parity was discussed and finally we enacted legislation which established parity as the standard for farm prices in this country. At that time farm labor was not included as one of the items upon which parity

was based and there was a very good reason for that, because until the last year and a half the item of farm labor would not have affected parity prices one way or another. As you all know, parity prices are based upon the relationship that exists between farm prices and other prices during the 1909-14 period. During the other war and since until recently the relationship between farm wages and farm prices was practically identical; that is, farm wages bore the same relationship with farm wages during the base period as did farm prices. About a year and a half ago farm wages began to go up until in the month of February 1943 they were 232 percent of what they were during the base period; in other words, they have more than doubled. Farm wages comprise a large part of the cost of farm products, something like 30 percent or better.

In all fairness, then, if we are going to give the farmer a fair price based upon the relationship between his costs now and during the previous period, why should we not include labor cost? This is a fundamental issue; it is the only question that I see is involved in this discussion today.

Some mention has been made of inflation. That question is important, of course, but how can anyone get up on this floor and talk very much or worry very much about what this slight increase in farm prices might do as far as inflation is concerned when just a few weeks ago we had an Executive order establishing a 48-hour week with time and a half for overtime, which in effect added 30 percent to the wage bill of this country? If this is inflation it is only a penny's worth compared with the dollar's worth created by the Executive order establishing the increased workweek with time and a half for overtime.

The CHAIRMAN. The time of the gentleman from Kansas has expired.

Mr. FLANNAGAN. Mr. Chairman, I yield the balance of my time to the gentleman from Georgia [Mr. PACE].

The CHAIRMAN. The gentleman from Georgia is recognized for 12 minutes.

Mr. PACE. Mr. Chairman, I had hoped that the time for general debate would be sufficient so that I could take this bill and analyze it in every particular, but it is not possible, of course, within the limited time that remains. I can discuss only briefly three features. First, as to the support for the bill: I have of course been working on this legislation for many months. I say to you candidly that I do not know of my own knowledge of a farmer in the Nation who is opposed to this legislation. I think their attitude is reflected by the statements made by the farm organizations. Today I have the following telegram from Mr. Edward O'Neal, president of the American Farm Bureau Federation:

WASHINGTON, D. C., March 19, 1943.

HON. STEPHEN PACE,  
House Office Building:

We strongly favor Pace bill H. R. 1408, to require inclusion of increased farm labor costs in computing parity prices and urge your support of same. Adjustment of price

ceilings and price supports to include increased labor costs are imperatively necessary to enable farms to secure adequate manpower and attain maximum production required for winning the war.

EDWARD A. O'NEAL,  
President, American Farm  
Bureau Federation.

I have here a message from the Association of Commissioners of Agriculture in the several States. Without reading the entire message they state that the legislation should be passed to adjust parity prices to include all labor costs.

I have since been informed by a statement made before the Rules Committee that the commissioner from the State of Illinois was not in accord with that statement. Also that the representative of the American Farm Bureau of the State of Illinois is not in accord with the statement by Mr. O'Neal. With the exception of these two I know of no representative of the farmers, or any farmer, opposed to the bill.

I have here the statement of the National Grange. They feel that there should be some modernization of the parity formula, but they state:

There seems to be no reason why the cost of labor should not be included at once as it is thought best to include it at this time rather than wait on the uncertainties of developing a satisfactory formula of modernization.

I have here a message from the National Council of the Farmer Cooperatives, signed by its executive secretary:

NATIONAL COUNCIL OF  
FARMER COOPERATIVES,  
Washington, D. C., March 19, 1943.  
HON. STEPHEN PACE,  
House of Representatives,  
Washington, D. C.

DEAR CONGRESSMAN PACE: I have just been informed that the House of Representatives will likely consider today the so-called Pace bill, H. R. 1408, to provide for the inclusion of farm labor in determining parity prices of agricultural commodities.

This council, made up of thousands of cooperative organizations, distributed in more than 95 percent of the counties of the United States, with total memberships in excess of 2,000,000 farmers, endorses, wholeheartedly, the principles of your bill and urges its passage by the Congress.

We recognize that the passage of this measure will not greatly increase the prices of farm products above present levels. It will, however, safeguard the producer of food and fiber against the possibility of a drastically falling market. It will tend to stabilize farm prices by the inclusion of the biggest single item of cost in the farmers' production.

We trust that the Congress will favorably consider and pass this important legislation.

Sincerely yours,  
EZRA T. BENSON,  
Executive Secretary.

I have here a statement from the National Cooperative Milk Producers' Association signed by Mr. Charles W. Holman, secretary:

THE NATIONAL COOPERATIVE  
MILK PRODUCERS' FEDERATION,  
Washington, D. C., March 19, 1943.  
HON. STEPHEN PACE,  
New House Office Building,  
Washington, D. C.

MY DEAR CONGRESSMAN: This federation, comprised of 70 member-cooperative dairy associations representing over 280,000 farm families located in 41 States, desires to record

its support of your bill, H. R. 1408, which is to be considered by the House today.

We believe that the purpose of this bill to include the cost of farm labor in the parity index will prove an effective weapon against oppressive tactics of administration forces to create unnatural price declines of many agricultural commodities. While at the present time the inclusion of farm-labor costs in parity computations will not materially affect some dairy products, a number of milk sheds, particularly in the eastern area, should benefit from the provisions of your bill. In those fluid milk markets where the price of fluid milk has not risen commensurate with costs, including labor, the effect of the bill would be to raise the parity price above existing actual prices.

We earnestly hope that the House of Representatives will favorably consider and pass your measure.

Sincerely yours,

CHARLES W. HOLMAN, *Secretary.*

I think these fairly represent the views of the farmers of this Nation, realizing that they and they alone are the only people in the United States who are not permitted to include the cost of their labor in the price they receive for their commodity.

The gentleman from Illinois has stated that this bill would add 16 percent to the cost of living. I have here a statement prepared, not months ago, but on the 15th day of March, which was Monday of this week, stating that without this bill the retail cost of food this year will be \$26,600,000,000, and with this bill it is estimated the cost of food this year will be \$27,400,000,000. If you will take your pencil and make the calculation you will see that the estimate is that at the maximum figure this will not increase the cost of living in excess of 3 percent, and those figures were made this week.

If you will turn to the committee report, you will find there a statement by the Secretary of Agriculture and one by the Department of Agriculture that the men who labor in the factories, in the industries of this Nation, are at this hour buying their food for a less percentage of their income than at any time since the records have been kept.

The statement has been made here by the gentleman from Illinois that this bill will put a weapon into the hands of Mr. Lewis. I reply to him, and say to you, that any fair mind that will study the figures in this report will find that over a period of years all the wage earners of this Nation have paid about 30 percent of their income for food, and now they are paying only 17 percent of their income for food.

Where was the gentleman from Illinois a few weeks ago when the price of coal was raised 50 cents a ton for the single purpose of paying the employees time and a half in order to persuade them to work on Saturdays?

Where was the gentleman from Illinois a few months ago when the railroad workers of the Nation voted a demand for increased wages? They were granted a 15 percent increase in wages. In order to meet it, the freight rates of this Nation were increased 10 percent, affecting the cost of living of every human being in this Nation.

Where was the gentleman from Illinois when 2 weeks ago Mr. Justice Byrnes ap-

proved an order extending the work week to 48 hours a week, with time and a half for over 40 hours, thereby adding 30 percent to the pay envelope of millions of people in this Nation. Certainly that will have an influence on inflation and the cost of living.

If those things were justified, and I do not question them here, then I say to you in all fairness that those who till the soil not only to feed themselves and their families, not only to feed an Army of 11,000,000, not only to feed 37,000,000 people now working in our plants and our factories, not only to feed over 3,000,000 Government employees, not only to feed over 57,000,000 more citizens of the United States, but to feed those millions and millions and millions, estimated by former Governor Lehman of New York as 350,000,000 people, who must be fed under lease-lend and in the conquered territories when this war is won, should be permitted to include all labor costs in the price of their commodities and encouraged to produce the crops necessary to feed all these people.

The figures of the Department of Agriculture indicate that on a year-round full-time basis 8,450,000 people are working on the farms, and they must provide the food for an estimated 500,000,000 people in this world. Yet we are told that it will wreck the Nation to go to them at this late hour and say that when they have to go out in a competitive market and pay a man two, three, or four times as much as they ever paid him before, they shall have the right and the assurance that when they go to sell their commodities that increased cost can be included in the price.

This bill includes only the increased cost. There are some who have the idea that the entire item of farm labor is included. Let me remind you that this bill includes only the increase in farm labor cost since the base period, 1909-14. In December the national average farm wage in this Nation was \$2.83 per day. In the base period the average farm wage was \$1.41 per day. What this bill does, therefore, until those wages rise higher, is to add to the parity price \$1.42 as the average increased cost of all labor per day. That is all that is added. It is all the bill does.

Of course, this includes the operator and family worker, and this is objected to by the gentleman from Illinois. Of course, it includes the man who works his own dairy or the little fellow out on his own farm who does his own work. Does the gentleman from Illinois mean to tell me that a farmer can pay his hired worker and figure his wages into the price of his product but that it is wrong to include any amount for the man who works beside him day after day in the field, and who operates his own farm?

I regard this bill as a measure toward securing the increased production so necessary. Labor represents 32 percent of the cost of farm production. Farm wages are going up every day and the farmers must not only pay this increased wage, but they must go into the competitive labor market in order to secure the

help needed. How can they do this unless this increased cost is reflected in the price of the crops they produce?

This bill will not contribute toward inflation, but just the reverse. Inflation is brought on by increasing the purchasing power and decreasing the supply of things to buy. Purchasing power has been increased enormously during the last 2 years by the war and governmental policies. The Office of Price Administration is doing all in its power to reduce the supply by holding down the price of farm commodities and refusing to carry out the mandate from Congress to increase prices so as to secure increased production. This bill adds all farm labor costs to farm prices and will encourage increased production.

The bill adds very slightly to the cost of food, but certainly all will agree it is better to pay a few more pennies for our food than to have no food to buy.

The CHAIRMAN. The time of the gentleman from Georgia has expired. All time has expired. The Clerk will read.

The Clerk read as follows:

*Be it enacted, etc., That section 301 (a) (1) of the Agricultural Adjustment Act of 1938, as amended, be, and the same is hereby, amended by striking out the following in the first sentence of said section and paragraph, to wit: "and, in the case of all commodities for which the base period is the period August 1909 to July 1914, which will also reflect current interest payments per acre on farm indebtedness secured by real estate, tax payments per acre on farm real estate, and freight rates, as contrasted with such interest payments, tax payments, and freight rates during the base period," and inserting the following in lieu thereof: "and, in the case of all commodities, which will also reflect current interest payments per acre on farm indebtedness secured by real estate, tax payments per acre on farm real estate, freight rates, and the cost of all farm labor (on the basis of the national average and including hired workers, farm operators, and members of the families of farm operators engaged in work on the farm, computed for all such labor on the basis of wage rates for hired farm labor), as contrasted with such interest payments, tax payments, freight rates, and costs of all farm labor during the base period."*

Mr. CREAL. Mr. Chairman, I move to strike out the last word. I am a member of the committee and was unable to obtain any time either on the rule or in general debate, and I desire to say a word or two. There are two or three impressions that are wrong in the minds of some of the folks and even among some of the Members of Congress. When you talk about including farm labor, including the family labor, it seems to provide a stumbling block to them. Some of them have this idea, that they cannot charge anything except time on the timetable and in the Saturday night pay check, and they are under the impression that when grandma gets up and goes out before breakfast with a pipe in her mouth to feed the chickens and then on the way back picks up the hoe and hoes a row of cabbage, that she will charge that time as a man's day of wages and that it will be paid for on Saturday night in a pay envelope, but she cannot do that. Some of the Members of this House have asked me, How are



you going to figure that separate matter of the family labor as differing from the hired labor? I shall try to do it again. Let us say, for instance, that it takes so many man-hours to make an automobile. It also takes so many man-hours to make a certain amount of agricultural products. It is all figured on the general average of man-hours in the cost price of any article.

We had this question up before and it was then said that some were willing to include the hired labor only, and not the family labor in the cost in the nature of any product. According to the formula I have just suggested, what difference does it make whether labor is hired or done by yourself, it takes the finished product to get the money. In answer to Mr. DIRKSEN's question, the gentleman from Illinois and another gentleman said that the question was one of man-hours, and this would not increase production for the farmer to get more. Then I want to ask him if it will decrease production? Does anybody think that this would decrease the man-hours or run anybody off the farm? Nobody would say that.

It was the price paid elsewhere that caused men to leave the farm for higher wages. It will increase the price and that is what we want it for. If we did not think it would increase the price and production we would not want it. We had the question up 1 year ago. That same howl was made that this will not bring labor back to the farm, but men were sitting on the fence scratching their heads, undetermined as to whether to farm last year or go on the brother's invitation to the city, and get the wages that he was getting. Well, when they read the news the next morning in the newspaper they fell off the fence, and what happened? They went to the city.

There is one other question. My friend Mr. MARCANTONIO speaks about the enormous price of cabbage. How many times do you have to call attention to the fact, like I did, about the roasting ear last year? One hundred and fifty ears of corn practically make a bushel, but you pay 15 cents for half an ear over here at a restaurant, and that is at the rate of \$45 a bushel. Suppose this did increase the price by an extra 4 percent, that is 4 percent of 78 cents and not 4 percent of \$45.

It was high wages elsewhere that took men off the farm and all know that is true, yet some argue that ability to pay higher wages on the farm to either a hired man or for a man's own work will not help any.

Mr. PACE. Mr. Chairman, I am wondering if we cannot arrange to agree on the time for debate on this amendment and all amendments thereto?

The CHAIRMAN. The Chair will state that the gentleman from Illinois has an amendment at the desk. The Chair does not know how many pro forma amendments there will be. It seems to the Chair that we should consider the Dirksen amendment and let the Members who desire to speak on that amendment be heard. The Chair notes there are 28 Members standing.

Mr. PACE. We will wait a little while, Mr. Chairman.

Mr. BECKWORTH. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, this bill is certainly a step in the right direction and I am mighty glad to say that when the bill originally came before the House several months ago I supported the measure. It is as fair as any bill can be, because certainly any person who considers the cost of producing any commodity on the farm knows that one of the outstanding costs is the cost of labor.

There is another very important angle to the question of farm income. Do you know how much income this will mean to a farmer who in the main depends on cotton as his chief source of livelihood and who by the terms of the Agricultural Adjustment Administration Act is permitted to produce three bales of cotton? It will mean to him, if Congressman Pace's figure of some 3 cents per pound additional for lint cotton is correct, a total of \$45. It will mean to the man whose chief source of income is the money he receives from the sale of four bales of cotton, \$60. It will mean to the farmer who produces 12 bales of cotton an additional income insofar as cotton is concerned, of only \$180. You may wonder approximately how many of the cotton farmers produce only 12 bales of cotton or less. Seven-eighths of the cotton farmers, according to compilations made from the 1940 farm census, produce 12½ bales or less. So about 88 percent of the cotton farmers, insofar as cotton is concerned, will receive an additional sum of money ranging from \$180 for the 12-bale cotton farmer, \$150 for the 10-bale cotton grower, to \$15 for the 1-bale cotton grower. Gentlemen, this is indeed a warranted increase for those cotton farmers who happen to constitute some seven-eighths of the cotton growers. No one can say that this increase is unjustified. Let us at this point, however, take cognizance of how many dollars this will mean to a cotton farmer who grows 100 bales of cotton. To him it will mean \$1,500. This \$1,500 increase, my friends, is more money than the total value of the entire crops grown by seven-eighths of the cotton farmers according to the 1940 farm census. Yes, this does sound unreasonable, but the 1940 farm census figures speak for themselves.

To express the facts another way, seven-eighths of the cotton farmers receive in dollars, so far as the net value of all their farm products is concerned, amounts ranging from \$1,056 to less than \$450. What I am trying to show is that those of you who represent districts in which the cotton farmers are restricted to 12 bales or less are representing cotton farmers who even under this bill cannot hope to receive a great deal of help. There is certain to come a day in this Congress when the family-size cotton farmer—the man who grows, let us say, 12 bales of cotton or less—will receive a fairer deal. No system permitting 50 percent of the cotton to be sold by seven-eighths of the cotton farmers and 50 percent to be sold by one-eighth of the cotton farmers can endure unless it is revised in the direction of giving the family-size farmer a fairer deal.

The gentleman from Texas [Mr. POAGE] mentioned a while ago that a man must receive a fair price for his product; this is true; however, the price, if a man has little or nothing to sell, is not significant. So much is said about the national farm income having increased. The significant thing is not necessarily that the farm income has increased, but who got the increase? Recently the cotton acreage was increased 10 percent. Under the present method of distributing pounds or bales of cotton among farmers, which actually means distributing income from cotton, one-eighth of the cotton farmers will receive 50 percent of the income from the additional bales and seven-eighths of the cotton farmers will receive the other 50 percent of the income from the sale of the additional bales of cotton. Is this equitable? At this point I wish to include in the RECORD two tables and my remarks concerning the tables:

#### DISTRIBUTION OF FARM INCOME

Mr. BECKWORTH. Mr. Speaker, I ask unanimous consent to proceed for 1 minute and to revise and extend my remarks in the RECORD.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. BECKWORTH. Mr. Speaker, since I became a Member of Congress 4 years ago I have diligently endeavored to procure information of a significant nature as to the distribution of cotton acreage and baleage. It has been my contention that the significant fact is not how many acres of cotton a cotton farmer is permitted to plant, but how many pounds or bales he is permitted to grow and sell. After all, insofar as income is concerned, it makes no difference what cotton is worth a pound to the man who has no pound to sell.

Unfortunately information concerning the distribution of farm income has been rather fragmentary; however, the 1940 census made possible the procurement of the exhaustive information to which I refer. As a result of many contacts on my part, the Agricultural Adjustment Administration and the Farm Security Administration agreed to finance the study and the Census Bureau agreed to make the compilation. For the contribution by each of these divisions of our Government to the obtaining of this information or this statistical data I am most grateful, for I sincerely believe if the information is carefully studied and evaluated it will bring about action conducive to equity concerning the family-sized farmer who in my opinion comes nearer being the forgotten man than any other.

The completed study, in my opinion, plainly establishes to a rather understandable degree how the farm income is currently distributed. Later on there will be printed a document to be made available by the Government which will describe in detail the sources of the incomes of various groups of farmers.

Mr. BOREN. Mr. Speaker, will the gentleman yield?

Mr. BECKWORTH. I yield to the gentleman from Oklahoma.

Mr. BOREN. The gentleman from Texas is to be commended for sponsoring this very fine study and I would like to ask this question in relation to the study. Are not the findings based on the error that our Government has made in making these allotments to the land instead of to the farmer or the farm-family unit?

Mr. BECKWORTH. The gentleman has propounded a pertinent question. The family-size farm unit should certainly be taken into

consideration more than it has been, as I have stated, however, the important thing to any farmer is how much of a given commodity such as cotton he can grow and sell rather than how many acres he may plant.

Mr. BOREN. And the gentleman well knows that 1 acre may produce a bale or two bales

of cotton, while another acre adjoining it may not produce more than an eighth or a tenth of a bale. The system now in vogue, under which the apportionment is made by acres creates a discrimination between individual farmers in respect to equal rights and privileges.

Mr. BECKWORTH. That is exactly right.

I sincerely trust every Member of Congress interested in the welfare of the family-size farmer will give careful attention to the table I herewith include in the CONGRESSIONAL RECORD and to the document of some 300 pages when it is available.

Classification of cotton-growing farms, by number of bales produced, farms reporting, acres harvested, and bales of cotton produced, United States census of 1940<sup>1</sup>

Number of bales produced per farm	Number of farms		Number of acres		Production of cotton		All farm products		Livestock and livestock products sold		Crops sold				Used by farm family		Forest products sold	
	Actual	Cu- mulative	Actual	Cu- mulative	Actua.	Cu- mulative	Actual	Cu- mulative	Actual	Cu- mulative	Total		Cotton and cottonseed		Actual	Cu- mulative	Actual	Cu- mulative
											(11)	(12)	(13)	(14)				
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)	(17)	(18)
	Number	Pct.	Acres	Pct.	Bales	Pct.	Dollar.	Pct.	Dollars	Pct.	Dollars	Pct.	Dollars	Pct.	Dollars	Pct.	Dollars	Pct.
1 bale or less...	234,108	14.73	1,130,043	4.95	186,009	1.62	99,022,208	7.53	15,117,674	7.95	44,889,934	5.41	10,096,335	1.62	37,738,767	13.16	1,275,833	16.84
1½ to 2...	245,715	30.20	1,650,542	12.19	449,650	5.54	116,831,872	16.43	18,300,098	17.61	55,071,880	12.05	24,406,438	5.54	42,143,201	27.85	1,226,093	33.03
2½ to 3...	204,459	43.06	1,704,270	19.67	580,625	10.60	107,651,072	24.63	16,763,876	26.42	54,172,300	18.59	31,515,597	10.60	55,794,257	40.33	920,639	45.18
3½ to 4...	169,312	53.71	1,650,555	26.91	652,374	16.28	97,887,995	32.08	14,654,087	34.13	52,468,959	24.91	35,410,043	16.28	30,061,856	50.81	713,093	54.60
4½ to 5...	132,751	62.06	1,465,795	33.34	645,482	21.90	83,776,308	38.45	11,952,575	40.40	47,566,337	30.64	35,035,954	21.90	23,737,889	59.09	539,507	61.73
5½ to 6...	104,909	68.66	1,311,532	39.09	615,892	27.26	72,287,413	43.95	10,025,834	45.67	42,974,400	35.82	33,429,845	27.26	18,866,794	65.67	420,385	67.28
6½ to 7...	78,834	73.62	1,097,990	43.90	542,378	31.98	59,514,808	48.48	8,168,707	49.97	36,749,727	40.25	29,439,598	31.98	14,307,745	70.66	288,629	71.09
7½ to 8...	73,416	78.24	1,100,254	48.72	579,177	37.02	59,688,507	53.02	8,134,726	54.25	38,120,012	44.84	31,437,001	37.02	13,121,272	75.24	312,497	75.22
8½ to 9...	49,899	81.38	823,732	52.33	443,692	40.88	43,887,995	56.36	5,923,971	57.36	28,550,571	48.28	24,083,045	40.88	9,239,440	78.46	165,013	77.40
9½ to 10...	50,617	84.56	806,084	56.26	501,188	45.25	47,621,183	59.98	6,281,484	60.66	32,106,528	52.15	27,203,856	45.25	9,049,198	81.62	183,973	79.33
10½ to 12½...	62,808	88.51	1,291,792	61.92	723,135	51.55	66,295,743	65.02	8,833,129	65.30	45,328,555	57.61	39,250,861	51.55	11,873,327	85.76	260,732	83.27
12½ to 15...	56,577	92.07	1,398,888	68.05	790,014	58.43	70,497,769	70.38	9,902,645	70.61	49,232,277	63.64	42,880,969	58.43	11,123,853	89.64	238,994	86.43
15½ to 20...	51,145	95.29	1,621,658	75.16	912,886	66.39	79,478,090	76.43	11,440,571	76.53	57,136,736	70.43	49,550,307	66.39	10,611,213	93.34	289,570	90.25
20½ to 25...	23,064	96.74	952,291	79.33	531,816	71.02	45,610,087	79.00	7,163,770	80.30	33,206,536	74.43	28,866,306	71.02	5,130,678	95.13	109,103	91.69
25½ to 30...	13,814	97.61	687,674	82.34	389,583	74.41	33,414,353	82.44	5,469,355	83.18	24,630,186	77.40	21,146,077	74.41	3,204,947	96.25	109,865	93.14
30½ to 35...	8,214	98.13	480,931	84.45	272,815	76.79	23,047,083	84.19	3,824,311	85.19	17,147,759	79.47	14,808,056	76.79	2,005,468	96.95	69,505	94.06
35½ to 40...	6,356	98.53	421,691	86.30	243,810	78.91	20,326,019	85.74	3,228,222	86.89	15,482,707	81.34	13,233,701	78.91	1,543,011	97.49	72,079	95.01
40½ to 45...	3,886	98.77	283,556	87.54	168,077	80.37	13,723,267	86.78	2,197,500	88.05	10,466,669	82.60	9,123,009	80.37	1,002,589	97.84	56,479	95.76
45½ to 50...	3,381	98.98	276,226	88.75	164,021	81.80	13,201,789	87.78	2,061,821	89.13	10,166,028	83.83	8,902,854	81.80	898,762	98.15	42,178	96.32
50½ to 75...	7,528	99.45	713,166	91.88	470,182	85.90	37,279,006	90.62	5,717,526	92.14	29,301,535	87.37	25,520,859	85.90	2,093,809	98.88	76,196	97.33
75½ to 100...	3,356	99.66	412,656	93.69	298,801	88.50	23,473,207	92.41	3,275,372	92.41	19,100,133	89.67	16,218,544	88.50	1,052,643	99.25	45,059	97.93
100½ to 125...	1,643	99.76	243,447	94.76	188,908	90.15	14,462,526	93.51	2,005,180	94.91	11,895,618	91.10	10,253,689	90.15	526,135	99.43	35,593	98.40
125½ to 150...	1,010	99.82	179,562	95.55	141,139	91.38	10,356,168	94.30	1,299,959	95.59	8,786,327	92.15	7,660,848	91.38	362,835	99.56	15,047	98.60
150½ to 200...	1,093	99.89	226,646	96.54	194,072	93.07	14,113,768	95.37	1,405,572	96.33	12,281,599	93.63	10,533,985	93.07	390,374	99.70	36,223	99.08
200½ to 300...	891	99.95	249,961	97.64	223,652	95.02	17,497,422	96.70	2,046,736	97.41	15,021,513	95.44	12,139,550	95.02	394,493	99.84	34,680	99.54
300½ to 400...	382	99.97	139,790	98.25	136,247	96.21	9,552,305	97.43	892,343	97.88	8,485,481	96.46	7,395,316	96.21	171,061	99.90	3,420	99.59
400½ to 500...	204	99.98	95,657	98.67	92,905	97.02	6,257,752	97.91	510,862	98.15	5,638,928	97.14	5,042,767	97.02	105,107	99.94	2,855	99.63
Over 500 bales...	385	100.00	303,429	100.00	342,160	100.00	27,477,827	100.00	3,511,990	100.00	23,751,916	100.00	18,572,016	100.00	185,794	100.00	28,127	100.00
Total *	1,589,706	100.00	22,809,870	100.00	11,480,700	100.00	1,314,233,602	100.00	190,179,896	100.00	829,745,221	100.00	623,158,000	100.00	286,736,518	100.00	7,571,967	100.00

<sup>1</sup> All items are for 1939 from census of 1940 taken as of Apr. 1.

<sup>2</sup> Running bales of lint cotton counting round bales as half bales.

<sup>3</sup> Does not include 17 cotton-growing farms in Aransas County, Tex., as data were insufficient for classification.

Division of Statistical and Historical Research, Bureau of Agricultural Economics. Compiled from special tabulation of the Bureau of the Census.

[Extension of remarks of Hon. LINDLEY BECKWORTH, of Texas, in the House of Representatives, Thursday, November 12, 1942]

STATISTICS CONCERNING DISTRIBUTION OF FARM INCOME

Mr. BECKWORTH. Mr. Speaker, as the CON-

GRESSIONAL RECORD will disclose, I have from time to time interested myself in the distribution of farm income. I have been particularly concerned with the plight of the family-size farmer. I sincerely believe very careful attention should be immediately directed to correct certain inequities which

exist concerning the income of our family-size farmers. The table which I herewith include in the RECORD is, indeed, revealing. I hope any person who may study this table will pay particular attention to the average income of those farmers in the lower brackets.

TABLE III.—Farms reporting cotton harvested—percent distribution of farms, acres harvested, quantity produced, and value of farm products; yield per acre; value of farm products per farm; and percentage of value of farm products; by States; census of 1940

[All items are for 1939 from census of 1940 taken as of Apr. 1]

State and number of bales produced	Percent distribution of—						Yield per acre (bales of lint cotton)	Average value of farm products sold, traded, or used by households (dollars)	Percentage of total value of farm products in each bale group represented by value of—											
	Number of farms reporting cotton harvested		Acres of cotton harvested		Quantity produced (bales of lint cotton) <sup>1</sup>				Total value of farm products		Livestock and livestock products sold or traded					Crops sold or traded			by farm products used in farm households	Forest products sold
	Percentage	Cumulative percentage	Percentage	Cumulative percentage	Percentage	Cumulative percentage			Percentage	Cumulative percentage	All livestock and livestock products	Dairy products	Livestock	Poultry and poultry products	Other livestock products	All crops	Field crops	Other crops		
United States, total <sup>2</sup> .....	100.0	-----	100.0	-----	100.0	-----	100.0	-----	0.5033	827	14.5	3.6	7.6	2.9	0.4	63.1	60.3	2.8	21.8	0.6
1 bale or less.....	14.7	-----	5.0	-----	1.6	-----	7.5	-----	1646	423	15.3	3.7	7.1	4.0	.5	45.3	42.5	2.8	38.1	1.3
1½ to 2 bales.....	15.5	30.2	7.2	12.2	3.9	5.5	8.9	16.4	2724	475	15.7	4.1	7.2	4.0	.4	47.1	44.2	2.9	36.1	1.1
2½ to 3 bales.....	12.9	43.1	7.5	19.7	5.1	10.6	8.2	24.6	3407	527	15.6	4.1	7.1	4.0	.4	50.3	47.5	2.8	33.2	.9
3½ to 4 bales.....	10.6	53.7	7.2	26.9	5.7	16.3	7.5	32.1	3952	578	15.0	3.9	6.9	3.8	.4	53.6	50.9	2.7	30.7	.7

<sup>1</sup> Running bales of lint cotton, counting round as half bales.

<sup>2</sup> Does not include 17 cotton-growing farms in Aransas County, Tex., as data were insufficient for classification.



TABLE III.—Farms reporting cotton harvested—percent distribution of farms, acres harvested, quantity produced, and value of farm products; yield per acre; value of farm products per farm; and percentage of value of farm products; by States; census of 1940—Continued

[All items are for 1939 from Census of 1940 taken as of Apr. 1]

State and number of bales produced	Percent distribution of—								Yield per acre (bales of lint cotton)	Average value of farm products sold, traded, or used by households (dollars)	Percentage of total value of farm products in each bale group represented by value of—									
	Number of farms reporting cotton harvested		Acres of cotton harvested		Quantity produced (bales of lint cotton)		Total value of farm products				Livestock and livestock products sold or traded					Crops sold or traded			Farm products used by farm households	Forest products sold
	Percentage	Cumulative percentage	Percentage	Cumulative percentage	Percentage	Cumulative percentage	Percentage	Cumulative percentage			All livestock and livestock products	Dairy products	Livestock	Poultry and poultry products	Other livestock products	All crops	Field crops	Other crops		
4½ to 5 bales.....	8.3	62.0	6.4	33.3	5.6	21.9	6.4	38.5	0.4404	631	14.3	3.7	6.5	3.7	0.4	56.8	54.3	2.5	28.3	0.6
5½ to 6 bales.....	5½	68.6	5.8	39.1	5.4	27.3	5.5	44.0	.4696	689	13.9	3.6	6.4	3.5	.4	59.4	57.1	2.3	26.1	.6
6½ to 7 bales.....	5.0	73.6	4.8	43.9	4.7	32.0	4.5	48.5	.4940	755	13.7	3.5	6.5	3.3	.3	61.8	59.4	2.4	24.0	.5
7½ to 8 bales.....	4.6	78.2	4.8	48.7	5.0	37.0	4.5	53.0	.5264	813	13.6	3.5	6.8	3.0	.3	63.9	61.6	2.3	22.0	.5
8½ to 9 bales.....	3.1	81.3	3.6	52.3	3.9	40.9	3.3	56.3	.5386	880	13.5	2.8	6.4	3.0	.3	65.0	62.9	2.1	21.1	.4
9½ to 10 bales.....	3.2	84.5	3.9	56.2	4.4	45.3	3.6	59.9	.5593	941	13.2	2.4	6.8	2.7	.3	67.4	65.4	2.0	19.0	.4
10½ to 12½ bales.....	4.0	88.5	5.7	61.9	6.3	51.6	5.0	64.9	.5598	1,056	13.3	3.5	6.7	2.8	.3	68.4	66.4	2.1	17.9	.4
12½ to 15 bales.....	3.6	92.1	6.1	68.0	6.9	58.5	5.4	70.3	.5647	1,246	14.1	3.9	7.2	2.6	.4	69.8	67.7	2.1	15.8	.3
15½ to 20 bales.....	3.2	95.3	7.1	75.1	8.0	66.5	6.1	76.4	.5629	1,554	14.4	3.8	7.8	2.5	.3	71.9	69.3	2.6	13.3	.4
20½ to 25 bales.....	1.4	96.7	4.2	79.3	4.6	71.1	3.5	79.9	.5585	1,978	15.7	3.8	9.1	2.4	.4	72.8	69.9	2.9	11.3	.2
25½ to 30 bales.....	.9	97.6	3.0	82.3	3.4	74.5	2.5	82.4	.5666	2,419	16.4	3.8	10.1	2.0	.5	73.7	70.3	3.4	9.6	.3
30½ to 35 bales.....	.5	98.1	2.1	84.4	2.4	76.9	1.8	84.2	.5673	2,866	16.6	3.7	10.5	2.0	.4	74.4	71.2	3.2	8.7	.3
35½ to 40 bales.....	.4	98.5	1.9	86.3	2.1	79.0	1.6	85.8	.5782	3,198	15.9	3.7	10.1	1.7	.4	76.2	72.5	3.7	7.6	.3
40½ to 45 bales.....	.2	98.7	1.3	87.6	1.5	80.5	1.0	86.8	.5927	3,531	16.0	4.3	9.8	1.6	.3	76.3	73.4	2.9	7.3	.4
45½ to 50 bales.....	.2	98.9	1.2	88.8	1.4	81.9	1.0	87.8	.5938	3,905	15.6	3.5	10.4	1.4	.3	77.3	73.6	3.7	6.8	.3
50½ to 75 bales.....	.5	99.4	3.1	91.9	4.1	86.0	2.8	90.6	.6593	4,952	15.3	2.9	10.8	1.1	.5	78.9	75.2	3.7	5.6	.2
75½ to 100 bales.....	.2	99.6	1.8	93.7	2.6	88.6	1.8	92.4	.7241	6,994	13.9	2.9	9.9	.7	.4	81.4	76.9	4.5	4.5	.2
100½ to 125 bales.....	.1	99.7	1.1	94.8	1.6	90.2	1.1	93.5	.7760	8,803	13.9	2.6	10.3	.7	.3	82.3	79.2	3.1	3.6	.2
125½ to 150 bales.....	.1	99.8	.8	95.6	1.2	91.4	.8	94.3	.7860	10,254	12.6	1.9	10.0	.5	.2	83.8	81.4	2.4	3.5	.1
150½ to 200 bales.....	.1	99.9	1.0	96.6	1.7	93.1	1.1	95.4	.8563	12,913	9.9	1.5	8.0	.2	.2	87.0	82.3	4.7	2.8	.3
200½ to 300 bales.....	(*)	100.0	1.1	97.7	1.9	95.0	1.3	96.7	.8947	19,638	11.7	2.3	8.8	.3	.3	85.8	77.0	8.8	2.3	.2
300½ to 400 bales.....	(*)	100.0	.6	98.3	1.2	96.2	.7	97.4	.9747	25,006	9.4	1.5	7.6	.1	.2	88.8	86.7	2.1	1.8	(*)
400½ to 500 bales.....	(*)	100.0	.4	98.7	.8	97.0	.5	97.9	.9712	30,675	8.2	1.7	6.2	.1	.2	90.1	88.8	1.3	1.7	(*)
Over 500 bales.....	(*)	100.0	1.3	100.0	3.0	100.0	2.1	100.0	1.1276	71,371	12.8	.9	9.1	.1	2.7	86.4	83.6	2.8	.7	.1

\* Less than 1/10 of 1 percent.

Mr. FULMER. Mr. Chairman, because of the many bills that will come up next week, I think we better get through with this bill today. I ask unanimous consent that all Members who want to speak on this bill may be permitted to insert their remarks in the RECORD at this point. I make this request with the hope that we may get through with the bill and vote on it today.

The CHAIRMAN. Is there objection to the request of the gentleman from South Carolina [Mr. FULMER]?

There was no objection.

The CHAIRMAN. The gentleman from Mississippi [Mr. WHITTINGTON] is recognized.

#### PARITY SHOULD INCLUDE LABOR COSTS

Mr. WHITTINGTON. Mr. Chairman, in 1943 the farmers of the United States are urged to raise the biggest crop in history. American farmers are patriotic, and they will continue to do their best, but in war they face many problems. Chief among these problems is the scarcity of labor. A number of solutions have been proposed. Measures for the importation of labor have been adopted. The deferment from the provisions of the Selective Service Act of essential agricultural workers has been tried. The problem is not being solved. The Selective Service has taken many from the farms. We might as well be frank. The unprecedented wages of industry, shipbuilding, and defense plants have

attracted farm labor, and they will continue to deplete farm labor. We have tried other measures. The problem will not be solved unless farm wages are increased, and farm wages cannot be increased unless the farmer receives more for his products. The purpose of the pending bill is to include farm wages in determining parity.

#### PARITY

Parity may be defined as the price of a farm commodity of equivalent purchasing power in the base period. The base period is 1909 to 1914. It was selected because the price of the things that the farmers had to buy and the price of the commodities the farmers had to sell during this period were at a nearer even keel than at any time during the Nation's history.

#### FORMULA DOES NOT INCLUDE LABOR COSTS

The present price formula, while including interest, taxes, and freight rates, does not include labor costs. A number of explanations have been offered for the failure to include labor costs. It is said that the inclusion of the labor costs in the base period would have made no change in parity. The explanation does not explain. I have never had a satisfactory explanation. Other items in production have changed and hence the parity prices have changed. I have never thought that there was any good reason why costs of labor should not be included, but whatever be the reason for not including labor costs in the parity

formula, the alleged reason for not including no longer obtains.

During the base period the average farm wage without board was \$1.42. On January 1, 1943, according to the Bureau of Agricultural Economics, the average farm wage was \$2.83 per day. There has been an increase in the wage rate of \$1.41 per day. Labor costs are the largest single item in the cost of production. According to the Bureau of Agricultural Economics, labor represents 32 percent or one-third of the cost of production.

If the parity principle is fair, then it must be admitted that labor should be included.

#### PURPOSE OF THE BILL

The bill might properly include the total costs of labor. Such is not the provision of the bill. It only includes the costs of farm labor as contrasted with the costs of such labor during the base period. Instead of including, therefore, the average farm wage of \$2.83, it only includes the difference between the wage during the base period, or \$1.42, and the wages as of January 1, 1943, \$2.83, or \$1.41 per day.

It does include the costs of hired labor, the costs of the operator, and the cost of the family worker, but it does not include the members of the family who are not workers. It does not include the mother or the wife, although none works harder on the farm, where the mother keeps house.

The farmer's problem is competing with the high wages of industry. In July 1942 the section men on railroads received \$4.26 a day. In 13 industries in July 1942, common labor received \$5.08 for an 8-hour day. In Federal-aid road projects they received \$4.72 for an 8-hour day. In the buildings trade, \$6.30 per day. The farm wage earner only received \$2.83 on the average for 10 to 12 hours, and according to the Department of Agriculture, the general level of farm wages was the second highest on record. In 1942 there was the largest increase ever recorded within a year's time. Laborers are still leaving the farms.

#### OPPOSITION

It has been said that if the costs of labor are included, industrial workers will demand a further increase in their wage scales. I do not believe that such demand will be justified.

According to the Department of Commerce, the national income was \$117,000,000,000 in 1942, and \$80,000,000,000 went for salaries and wages. Surely industry does not want all the income. Again the industrial worker is today receiving his food for a smaller percentage of his income than at any time in the history of the Nation. By industrial workers I mean factory, railroad, mining workers. Thus in 1917 when the industrial worker spent 58 percent of his income for food, the farmer's share was 60 percent. In 1942 when he spends 28 percent of his income, the farmer's share is only 53 percent.

What I have stated with respect to industrial workers is applicable to all non-farm workers and to all other workers except farmers. All nonfarmers are buying their food for a less percent of their income than at any time since the records have been kept. I am basing this statement upon the estimates of the Bureau of Agricultural Economics and upon the figures from the Bureau of Labor Statistics. It might be well to keep in mind, in this connection, that many laborers, including the mine workers, are making demands for increased wages. They are not basing their demand upon the parity prices or upon the formula for parity prices. The argument, therefore, that the passage of the pending bill would justify increased demands by labor is without merit. It is well known that when the price of bread increases it is not reflected in the price of wheat. Moreover, it is well known that prices of other commodities to the consumer are not reflected in the prices received by the farmer.

There are those who assert that the farmer is responsible for the high cost of living. What are the facts? During the base period the average hourly earnings of the factory worker were at the rate of 21 cents per hour, while today they are at the rate of 85 cents per hour. There is thus an increase in factory labor of over 300 percent, while there has only been an increase of 100 percent in the costs of farm wages from the base period to January 1, 1943.

#### INFLATION

But it is urged that the passage of the bill would cause inflation. The argument is without merit.

Farmers are trying to increase production. Higher wages are imperative. Such wages cannot be paid unless the increased costs are reflected in the parity price. The purpose of the bill is to increase parity and thus increase production, but inflation was never caused by an abundance of supply. The price is determined by the supply as well as by the demand. An abundance makes for deflation rather than inflation. There is general agreement that inflation is caused by shortage of supply. It would be more accurate to say that if the farmers make short crops and all short of the goals in 1943, then inflation will result. I repeat to emphasize that the purpose is to increase production, and abundance does not cause inflation. On the contrary, inflation might be promoted by continued high industrial wages and salaries and a shortage of food and feed.

#### CONCLUSION

Labor is one of the factors in the farmer's problem today, but it is an important factor. Unless the parity includes the costs of labor, the farmer will be unable to compete with industry. Even if there is a supply of labor he will be unable to pay the wage demanded unless the parity price of his product is increased. The inclusion of the costs of labor in the formula will contribute much to enabling the farmers of the United States to raise the food and feed essential to win the war. It is not only fair and just, but in the crisis now confronting agriculture, it is imperative if America is to feed and clothe not only the civilian populations of the United States but the armed forces of the United Nations.

Mr. FORD. Mr. Chairman, I have given a great deal of thought to this question of including the cost of farm labor in the parity price. At first glance that seems to be eminently fair. The manufacturer or other businessman includes, as a matter of course, the cost of labor in his product, whether that product be merchandise or service.

That being true, then why refuse to permit the farmer to do likewise?

The answer is that parity is not a price. It is a comparison. Parity, as defined broadly means that the price of farm products shall be based on a level that will enable him to purchase the things he has to buy at a price comparable with the things he has to sell. If, for instance, 10 of the commodities that he buys increase 10 or 20 percent, the parity price of 10 commodities that he sells should be advanced 10 or 20 percent, as the case may be. If this is not done, then he is not receiving parity for his product.

If, on the other hand, he does receive parity for his product, he is receiving what the law, which his representatives passed, provides.

Now, then, if to that parity price we permit him to include the cost of labor,

a factor which he has heretofore insisted not be included, he is being given a double or entirely unfair advantage, for by this inclusion he is paid a price that includes not only the increased cost of labor in the products that he buys, but in addition thereto the increased cost of his own labor.

If the parity principle is correct, and if he is receiving parity, then any additional allowance is a pure bonus and a factor that would and will contribute to the bringing about of inflation.

I can conceive of no tragedy that would surpass such a situation. I can conceive of no segment of our population that would suffer more as a result of inflation than the farmer.

For that reason, gentlemen, I am opposed to this or any other bill that attempts to include the cost of farm labor in the parity price.

If a bill comes to this floor that honestly provides for the cost of production, plus a reasonable return on farm investments, I will gladly support it.

I cannot, my friends, support this measure, not only because it is unfair now and should not be passed but because I can see repercussions that will amount to incalculable harm to the farmer later on.

If farm prices are frozen at a higher level than they can be marketed for, where is the farmer going to get off. Gentlemen, this bill is ruinous to the farmer and dangerous to the whole economic structure. Reject it. It is a bad bill.

Mr. ALLEN of Louisiana. Mr. Chairman, there is a basic principle involved in the pending bill which I think outweighs every objection that has been urged to the bill. This bill simply provides that the cost of farm labor be included in computing parity prices for farm products. Regardless of what position farm organizations may have taken years ago, regardless of what may be said against this bill at this time, the question arises as to whether it is right or wrong to include the cost of farm labor in arriving at the price of farm products, or parity. Ever since the human race has engaged in business of any kind, the labor involved in production has had a great deal to do with the price for which the product sold. This is true in all industry. In fact, the cost of labor in the manufacture of most articles is one of the largest items. I am not criticizing that. I am simply reciting it as a fact. Those who produce merchandise or goods of any nature must be paid. The person who sells the manufactured article of necessity has to include the cost of labor. No one could or would argue to the contrary. And yet it is singular, Mr. Chairman, that in one great industry, namely, farming, men take this floor and argue seriously against this basic principle. If it is right to include the cost of labor in everything else, why is it not right to also include it in agriculture? To my mind, the argument is unanswerable.

In the very short time which I have to discuss this question this evening,



obviously I can only touch briefly on very few points. One of the main arguments urged against this bill is that it will be inflationary in effect. Of course, Mr. Chairman, no one will seriously contend that the bill, if it becomes a law, will not increase the price of agricultural products. That is the very object of the bill. It is sponsored for the very purpose of increasing the price which the farmer is to receive for his products. It is asserted here by those who are in a position to know that agricultural prices will be increased by the bill only 3 or 4 percent at most. That, Mr. Chairman, certainly cannot be very inflationary. But this country today faces the choice between a move of this nature designed to give the farmer a better price for his product, on the one hand, or going hungry, on the other hand. We have a few million farmers undertaking the gigantic task of feeding hundreds of millions of people in this wartime. Farm labor has been pulled off the farm by the draft and by the high prices paid by industry. The farmers simply cannot produce the products which this Nation must have unless they are paid a price for their products which will enable them, in some measure, to compete with wages in industry. We might as well face the fact that the farmer cannot now compete with industry. Workers quite naturally seek the better wages. If the present condition is permitted to go on in this country, the cold reality of hunger is going to be experienced here.

So, Mr. Chairman, while we doubt that this bill will be inflationary to a hurtful degree, the fact remains that we must choose between the alleged threat of inflation on the one hand and hunger on the other. We cannot wage this war without ample food. We cannot secure ample food without labor. We cannot secure labor unless the farmer is given a price for his product to enable him to hire the labor. All the oratory that has been poured out here cannot get around these basic principles.

It is regrettable to me that it has even been argued on this floor today that the labor of a farmer and his family should not be taken into consideration. The gentleman from Illinois [Mr. DIRKSEN] has even asked that the bill be limited to hired help. Mr. Chairman, to do that would be one of the most unfair things in all the world. That would enable the larger farmers who produced their products with hired labor to have the price of their products include hired labor, while the small farmer who was not able to hire labor and only had the help of his wife and children would not be able to take into consideration the labor of his family in computing prices. In other words, the move of the gentleman from Illinois would place the small farmer at every disadvantage and it is unthinkable to me that a proposition like that should be seriously urged in this House. Let us pass this bill and pass it now. The farmer is entitled to have the cost of farm labor included in figuring prices. The fact that farm organizations some years ago opposed the inclusion of farm labor in the computation of prices, or parity,

certainly should not warrant the defeat of this bill now. Every farm organization now favors this bill. I am for it. The people favor it. The farmer needs it. The Nation needs this bill. Its passage is imperative at this critical time in our country.

Mr. MAHON. Mr. Chairman, on account of the limitations of time for debate on this bill to require that farm-labor costs must be considered in arriving at the price of farm products, I wish to state for the record that I shall vote for the bill. Members of Congress from agricultural areas have known for more than a year that there would be a breakdown in agricultural production unless labor costs should be included in arriving at parity prices for farm products. Even with this done, the production problem will be far from solved.

Unfortunately, many of the officials of the Government have been too late in awakening to the seriousness of the agricultural production situation. I am glad to have the opportunity of voting for legislation requiring that farm labor must be considered in arriving at the prices of agricultural products.

Mr. JOHNSON of Oklahoma. Mr. Chairman, inasmuch as the Interior Subcommittee on Appropriations has been in session all during this entire debate and I am in charge of that hearing, I have not been able to avail myself of the opportunity of hearing much of the discussion on the pending bill. I merely want to state, Mr. Chairman, that I am, of course, in accord with the purpose of this legislation and shall support it on final passage. This bill to amend the Agricultural Adjustment Act of 1938 and as reenacted by the Agricultural Marketing Act will, as I understand, include the cost of all farm labor in determining parity price for all agricultural commodities. I agree with the previous speakers that Congress is mighty late in passing this legislation. I also agree that this should have been enacted many months ago. In my judgment, it is the most practical and constructive farm legislation that this Congress has yet considered. Unless the farmer can get the actual cost of production for his commodities, there is not the remotest possibility of the farmer being able to produce the foodstuffs so essential in winning the war as were produced last year. Yet the farmer is being called upon by this Government to increase his production from 10 to 20 percent.

I sincerely hope that this pending legislation will pass today by a practically unanimous vote so that the word may go to the farmers of America that the Congress of the United States will not throw them down during this world crisis but will give them at least a fighting chance to meet the Government's demand for increased production during the coming season.

Let me add, Mr. Chairman, that if given the opportunity, the farmers will work overtime in a courageous and desperate effort to meet the demands for producing an increased food supply. Regardless of the castigation and unfair criticism of

the farmers in some quarters, there is no more loyal group in any walk of life than those who till the soil. They have not absented themselves from their work as too many industrial workers have been thoughtlessly doing. The farmers of America have never staged a sit-down strike nor a walk-out, nor have they ever refused to work merely because of the low farm prices they have received on many of their commodities in the past. They have not only given their money, their time, and their work to the war effort, but they have generously given their sons for the cause of liberty in the hopes of making this a better world in which to live.

Again let me express the hope that the Congress will pass the pending bill by an overwhelming majority and without any further delay.

Mr. BROOKS. Mr. Chairman, I have always believed that a laborer is worthy of his hire; and I have believed that this is the fact whether he works upon a farm or in a factory. The industry which cannot pay its workmen a fair return for their labor cannot continue long to thrive and prosper and will in time feel the mortal handicap of diminishing returns and complete failure.

Over thirty millions of people in the United States are directly dependent upon the tilling of the soil for their livelihood. This group constitutes the largest single segment of our society. They are our farmers who through the years have worked our soil and brought forth bountiful crops. They are the people upon whom we depend in this time of great emergency to feed and clothe the Nation.

With a rather sudden realization, some of the officials of our Government have now found that we can no longer expect tremendous surpluses of foodstuffs and that we are face to face with the actual problem of getting enough food to feed our 11,000,000 fighting men and at the same time maintaining our civilian population. Over and above this, the terms of the lease-lend agreements with our allies call for food; and a Nation which in the past has always talked in terms of vast surpluses, must now tighten its belt and prepare for a fight against critical shortages and possible starvation.

The bill before us today will permit our farmers to obtain costs of labor in the price of their commodities. It will therefore give to this group of our people an incentive to produce food which we need and must have if we are to win this war. It will in effect assure them that their labor, properly applied, on the farm be considered by the Nation in setting a price on the product.

Some there are who, of course, have raised the cry of inflation—a cry which ever has been raised against the farmer. But, Mr. Chairman, I ask, when has it been considered inflation to return to a producer the actual costs which he has expended in the production of a commodity? No one has, or will contend, that labor is not an item of costs as well as is the value of material used in the process of production. No one will

say in any other industry that the actual costs of the labor should not be calculated in reaching a fair selling price. So is it with the farmer.

We are now in the midst of the Nation's greatest crisis. Not since Washington and his armies camped on the bleak hillsides of Valley Forge has the Nation faced a sterner reality than at the present moment. If we are to win this war, food must be produced—and it must be produced this season. We cannot wait until harvesttime to find out whether or not our farmers have planted enough to meet the demands of the hour. We must be assured now, before the planting season is over, that labor is available and our farmers proceeded to the work of producing the food crop necessary to win the war. Our hope of bringing about these crops is to assure the farmer that he is being given a return of the value of labor which he has expended.

Mr. Chairman, this bill should pass. It is a bill needed by our people and is an emergency war measure, which should have our favorable consideration.

Mr. FISHER. Mr. Chairman, I rise in support of this bill, known as H. R. 1408, which proposes to amend the Agricultural Adjustment Act so as to include the cost of all farm labor in determining the parity price of agricultural commodities.

This legislation comes before this House at a most critical time in our Nation's history; at a time when a general food shortage is imminent; at a time when our 8,000,000 farmers are being urged to produce more and more food for freedom.

Never before in our history, Mr. Chairman, were the 130,000,000 people of this Nation, and indeed the peoples of the United Nations joined with us in this struggle, so completely dependent upon the hard-working and under-paid farmer of America. To paraphrase the words of Winston Churchill: "Never before were so many so dependent upon so few."

It is true, of course, that the grim, dangerous, and blood-giving part of this struggle is being valiantly and heroically borne by the boys in uniform who are carrying the banner of democracy onto a hundred battle fronts. It is also true that the whole war program is dependent upon and is being supported by the millions of patriotic overall-clad workers who are providing the munitions and implements of war with which our boys are to fight our battles. But, Mr. Chairman, every one of those men in uniform must be fed and they are dependent upon the American farmer for every bite of their food. And every last one of those war workers is dependent upon the American farmer for every bite he eats. Therefore, the farmer is truly the backbone of our war front and of our very economic life today.

Now, what does this bill propose to do? Stripped of its phraseology, it simply proposes to provide the farmer with a little more income by making it possible for him to get a little better price for what he produces. I submit that those in this country who oppose this legislation must do so because of a

lack of understanding of its purpose. Those same people will pay lip service to the farmer's work and they will offer all manner of sympathy for his plight. But when specific legislation is offered to actually give him some tangible relief, they cry "wolf" and say it means inflation. The farmers do not want sympathy. They do not ask for special privileges. They only want simple justice. And where is the man who, with a spirit of justice in his heart, can rise up and say the farmer is getting one thing he does not deserve when he asks—as this bill would in some measure give him—for a price for his commodities that would take into account the increased cost of his labor that goes into that production?

If that be inflation, then is it not inflation for the manufacturer to be paid for what he produces on the basis of what it costs him to produce it? High wages are being paid in industries, and those high wages are included and reflected in what the manufacturer is paid for his goods. Why leave the farmer out of that formula of calculation which takes into account the increased cost of production?

What is meant by the term "parity"? As is so well stated by the very clear and able report on this bill, the effect of this act would not be to add to parity prices the total amount paid to or allowed for those working on the farm. Its effect would be to add, as part of the cost of production, the difference or increase in the farm wage rates since the base period of 1909 to 1914. The law itself defines parity price as—

That price for the commodity which will give to the commodity a purchasing power with respect to articles that farmers buy equivalent to the purchasing power of such commodity in the base period.

As has been pointed out here this afternoon, during the base period the farm wage rate was an average of \$1.42 per day, whereas, according to the Bureau of Agricultural Economics in the Department of Agriculture, the average farm wage, without board, was on January 1, 1943, \$2.83 per day. It is only this increased wage rate, and this difference or increase, that would be added.

The justice of this legislation is elemental and well recognized. President Roosevelt, in his message to Congress on September 7, 1942, made this statement:

Parity is a fair relationship between the prices of the things farmers sell and the things they buy. Calculations of parity must include all costs of production, including the cost of labor.

When the farmer buys a plow, a tractor, or a suit of clothes there is included in that price all the labor costs incurred in its manufacture. But not so with the farmer's produce, where none of this increased labor cost since the base period is computed in the parity price of such produce. Yet, according to the Bureau of Agricultural Economics in the Department of Agriculture, labor is 32 percent of the cost of producing farm products.

Therefore, Mr. Chairman—and I shall not consume further time—every rule of simple justice calls for the passage of this bill. Moreover, we must remember

that we are at war. Now is a time of extreme emergency when we hear of all manner of incentives, of time and a half for overtime and the like, to induce greater production in war industries. The farmer is called upon this year to increase his production by at least 12 percent. Yet he is unique in that he is not complaining about his long hours and is not asking for paid vacations or for sick leave. He only asks for fair treatment based, as I have said, upon simple justice.

Today the farmer is short of labor. Why? Because his farm has been depleted of his normal labor due to the fact that most of the young men have answered the call of their country, and the remaining available labor is being drawn as if by a magnet to war industries where high wages abound with which the farmer simply cannot compete. Why can he not compete? Because he does not get enough for what he produces to enable him to pay higher wages. This bill may not help much, but it will at least help to cure a basic and rank injustice in calculations that enter into the formula for farm parity prices.

The Chair recognizes the gentleman from Arizona for such time as he may require.

Mr. MURDOCK. Mr. Chairman, we have reached the reading of the bill too late today for one to take as much time as the importance of this measure really requires. I have made up my mind to vote for this bill, after making careful inquiry here in the Chamber of the author and others who have sponsored similar legislation. Perhaps the explanation given in the report on the bill should be adequate, especially when taken along with Congressman PACE's explanation, but I have had some questions for my own information which I needed to satisfy before casting a vote on it. The author of the bill has now satisfied my mind in these matters.

I do not want my hesitancy as just expressed to be interpreted as hostility to this measure, for I am very definitely in sympathy with the proposal in general. Having grown up on a farm, I have a knowledge of farm conditions, and having a farm constituency, I have an official duty, in addition to my sincere desire to do the right thing by the farmers of America. Last year I was indignant at the base and cruel misrepresentations in certain sections of the press and radio which held the farmer up to scorn as a robber, a war profiteer, and a menace to the country. If I know anything, I know how baseless, untrue, and malicious such misrepresentations were at that time—or at any time.

While I voted against Congressman PAUL BROWN's amendment to the anti-inflation bill in the House during the last session of the Seventy-seventh Congress, I did vote for the bill on final passage. The reason I voted against the Brown amendment at that time was because I did not see how it could be applied. Looking back on it now, I feel that I was deterred by fear of dangers that did not exist. True, this bill is not the same as the Brown amendment, but I shall vote for this, and I would vote for



the Brown amendment if it were before us today.

Does this proposed change in the law mean inflation? Not to any great extent, as I see it. Whatever inflation may be caused by it is but a drop in the bucket to what other forces are causing. Will it mean an increase in the cost of living? Probably so, but not necessarily so, for it seems to me that this change in the farmer's favor should cause more of a change in the distribution of the national income than in the cost of living for our people.

Certainly simple justice demands a change in parity prices for farm products. The formula must include farm labor. I have always contended that labor costs should be included, ever since I have known the concept of parity. My only doubt and question has been, How shall some of that labor be estimated or computed? Congressman PACE has cleared that up in my mind, and now I am going along with him in this measure of belated justice to all American farmers.

Let me commend the gentleman from Georgia for his splendid piece of work, with the help of his colleagues of like spirit. I feel that this report is a classic, deserving to take its place far outside the limits of tedious official documents. It contains passages worthy of rank in literature. Even its statistics are eloquent, in the lines and between the lines, and tell a dramatic story with feeling and pathos.

Mr. FULMER. Mr. Chairman, I ask unanimous consent that debate be limited to 20 minutes on this section and all amendments thereto.

The CHAIRMAN. Is there objection to the request of the gentleman from South Carolina [Mr. FULMER]?

Mr. MONRONEY. Mr. Chairman, reserving the right to object, how much time will that give Members wishing to speak in opposition?

Mr. FULMER. May I say to the gentleman that we have just gotten a unanimous-consent request through that all Members may extend their remarks at this point. We hope that we may be able to finish and vote and adjourn.

Mr. MONRONEY. Mr. Chairman, this is a very important measure, and I think Members opposing the bill and even those who want to speak for it during the time it is being considered prior to passage are entitled to be heard. Many of us asked for time from the committee and we could not obtain it.

Mr. FULMER. The gentleman will get 5 minutes. There are only three Members standing. Mr. Chairman, I move that all debate on this bill and all amendments thereto close in 20 minutes.

The motion was agreed to.

Mr. DIRKSEN. Mr. Chairman, I offer an amendment which I send to the Clerk's desk.

The Clerk read as follows:

Amendment offered by Mr. DIRKSEN:

On page 2, line 11, strike out the word "all" and insert the word "hired";

On page 2, strike out all of lines 12, 13, and 14, and in line 15 strike out the words "hired farm labor"; in line 16, after the word "all", insert the word "hired."

On page 3, line 1, strike out the word "all" and insert the word "hired."

On page 3, strike out all of lines 2, 3, and 4, and in line 5 strike out the words "for hired farm labor"; in line 5, after the word "all", insert the word "hired."

The CHAIRMAN. The gentleman from Illinois is recognized for 3 minutes.

Mr. DIRKSEN. Mr. Chairman, I will take just 1 minute. This amendment in the appropriate places in the bill changes the language so as to make the bill apply only to hired farm labor.

The bill and the gentleman from Illinois have both been suitably belabored and ventilated on this floor this afternoon and it is not necessary for me to say anything more about it.

Mr. RANKIN. Mr. Chairman, I rise in opposition to the amendment.

The CHAIRMAN. The gentleman from Mississippi is recognized for 3 minutes.

Mr. RANKIN. Mr. Chairman, I can think of nothing that would create more confusion than the adoption of the amendment offered by the gentleman from Illinois [Mr. DIRKSEN]. It would fix one price for the farm products where the farmer hired his help and another price for the same products where the farmer did his own work. We have enough confusion without confounding it in that way.

For my part, I should like to see these restrictions taken off the farmers, to get back, as Captain Rickenbacker said this morning, to the incentive system, the incentive plan, as we did in the last World War—let the farmers run their own farms and receive adequate pay for the things they raise. They would then produce everything necessary, and at the same time they would not be discriminated against as they are today.

Mr. AUGUST H. ANDRESEN. Mr. Chairman, will the gentleman yield?

Mr. RANKIN. I yield.

Mr. AUGUST H. ANDRESEN. If the amendment offered by the gentleman from Illinois is adopted, it will mean that the big commercial farmers will reap the benefit out of it.

Mr. RANKIN. Absolutely, while the little farmer who lives on his farm, who really bears the burden, who raises the children, who pays the taxes and maintains the community would be discriminated against. He would have to sell his crop at a lower price.

I should like to see the gentleman from Illinois making the separation. He would be as confused as old Lightning was when he said they made him walk and drive a swarm of bees across Arizona when the family moved west. He said he got caught in a snowstorm one day and came very near losing several of them. That is just about the predicament the gentleman from Illinois would be in if he were asked to separate all the grain, all the cotton, all the dairy products, all the poultry, and all the other farm commodities produced by farmers who hired the work done from the ones produced by

farmers who did their own work, and then try to sell them all in the same market. I can think of nothing that would be more confusing.

I hope the amendment will be voted down.

The CHAIRMAN. The time of the gentleman from Mississippi has expired.

The question is on the amendment offered by the gentleman from Illinois.

The amendment was rejected.

Mr. O'CONNOR. Mr. Chairman, I move to strike out the last word.

The CHAIRMAN. The gentleman from Montana is recognized for 3 minutes.

Mr. O'CONNOR. Mr. Chairman, in October 1942, when the Price Control bill was up for consideration in the House I took the position, and so told the House, during the debate, that farm labor should be included in the parity price to the farmer. The House so acted but later on this provision was modified by the Senate or practically nullified. The result of that action is the present bill known as the Pace bill. I am supporting it and voting for it. Every move that the Congress takes should be measured by the yardstick—will it help win the war. This should be so in view of our boys being killed on the seven seas and in every land. It is my contention that the passage of this measure and the including of farm labor in the parity formula will help win the war. First, there is no doubt but what the cost of farm labor has increased at least 100 percent since the base period of 1914. Now in order that the farmer may be able to compete in some slight degree with industry for workers and help he must be able to pay a decent wage. He can only pay such wages as are commensurate with the price for which he sells his products. The higher the price he gets for his products the more nearly he becomes able to compete with industry for labor. Farmers cannot pay \$5 and \$6 a day for help, selling wheat at a dollar a bushel and corn at 80 and 85 cents per bushel and other farm products accordingly. Therefore, it is a question of making the price such that the farmer can get the labor. It is foodstuffs that the country is crying for today and if farmers cannot produce it, then we face starvation, as our stock piles of farm products, as shown by rationing of nearly all foodstuffs, are gradually disappearing.

A year ago I predicted just this very situation on the floor of the House unless we met the condition by providing a floor under farm prices which would guarantee at least the cost of production. This warning, of course, fell on deaf ears. Those of us who know what the farmer is up against know that he must receive a livable price in order to produce. He is the only one in the economic picture who is today taking a chance on the price of his product. Industry knows what it is going to receive for its work. The laborer knows what he is going to receive for his hire. The farmer not only does not know what he is going to receive for his product but when he sows his seed in the ground he does not know whether it will sprout and grow. He does not know what the hot

winds will do. He does not know whether the rains will fall when they are needed. He does not know what insects will do to him. He does not know, in one word, what the harvest will be. He takes a double chance on what nature does for him and on the price he is to receive. It is an indefensible shortsighted policy of the Government during the war not to place farm products on a basis of at least cost of production to the farmer, which would include the cost of labor. Every other industry doing business includes all labor costs in everything it sells. It would go broke if it did not. The farmer being out on the limb that I am talking about is the reason why so many have gone broke in the past, put out the fire, called the dogs, and left for other parts. This will help some to alleviate the situation and may cause an increase in production of food vital to our war effort. Moreover, the President, in his message to Congress on September 7, 1942, stated among other things:

Parity is a fair relationship between the prices of the things farmers sell and the things they buy. Calculations of parity must include all costs of production, including the cost of labor. As a result, parity prices may shift every time wage rates shift.

This language is clear and unmistakable and cannot be misunderstood. He meant that the cost of labor should be included in the calculations of parity.

Mr. AUGUST H. ANDRESEN. Mr. Chairman, will the gentleman yield?

Mr. O'CONNOR. I yield.

Mr. AUGUST H. ANDRESEN. The gentleman knows—and I am not referring to the President's language particularly, although the gentleman may take it as he sees fit—but the gentleman knows that a good many times laws passed by Congress with a certain intent are so administered by the executive department that the intent of Congress is entirely disregarded.

Mr. O'CONNOR. The gentleman may, of course, say what he pleases; I do not always agree with him, but I do say that, so far as I know, the President of the United States went on record in connection with this matter.

The CHAIRMAN. The time of the gentleman from Montana has expired.

The Clerk read as follows:

Sec. 2. That the first sentence of paragraph (1) of section 2 of the Agricultural Adjustment Act of 1933, as amended, and as reenacted and amended by the Agricultural Marketing Agreement Act of 1937, approved June 3, 1937, as amended (7 U. S. C., 1941 ed., sec. 602 (1)), be, and the same is hereby, amended by changing the period at the end thereof to a semicolon and by adding the following: "and, in the case of all commodities, which will also reflect the cost of all farm labor (on the basis of the national average and including hired workers, farm operators, and members of the families of farm operators engaged in work on the farm, computed for all such labor on the basis of wage rates for hired farm labor), as contrasted with the costs of all farm labor during the base period."

Mr. DIRKSEN. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. DIRKSEN: On page 3, after line 1, insert a new section as follows:

"SEC. 3. This act shall not be effective after the date of the expiration of the present national emergency or after such earlier date as may be determined by a concurrent resolution of the two Houses in Congress."

Mr. DIRKSEN. Mr. Chairman, the amendment speaks for itself. It seeks to limit this to the duration.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Illinois.

The amendment was rejected.

The CHAIRMAN. Under the rule, the Committee rises.

Accordingly the Committee rose; and the Speaker pro tempore [Mr. McCORMACK] having assumed the chair, Mr. WALTER, Chairman of the Committee of the Whole House on the state of the Union, reported that that Committee, having had under consideration the bill (H. R. 1408) to amend section 301 (a) (1) of the Agricultural Adjustment Act of 1938, as amended, and the first sentence of paragraph (1) of section 2 of the Agricultural Adjustment Act of 1933, as amended, and as reenacted and amended by the Agricultural Marketing Agreement Act of 1937, approved June 3, 1937, as amended, so as to include the cost of all farm labor in determining the parity price of agricultural commodities, pursuant to House Resolution 157, reported the same back to the House.

The SPEAKER pro tempore. Under the rule, the previous question is ordered.

The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time and was read the third time.

The SPEAKER pro tempore. The question is on the passage of the bill.

The bill was passed.

A motion to reconsider was laid on the table.

#### RESTORATION OF INDEPENDENCE OF LITHUANIA

Mr. GORSKI. Mr. Speaker, I ask unanimous consent to address the House for 2 minutes and to revise and extend my remarks and include therein a resolution.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. GORSKI. Mr. Speaker, on February 14 of this year there was a large celebration held at Orchestra Hall in Chicago, followed by a banquet in the evening at the Palmer House. This celebration was held in commemoration of the twenty-fifth anniversary of the independence of the Republic of Lithuania.

This little country of nearly 5,000,000 people was a prosperous and thriving nation. Its soil is fertile, the people are peace-loving and industrious. To augment what was already established, many churches and schools were under construction to advance the education of their children. They were happy and contented until the blight of war again fell upon them and now they are suffering with the other people of conquered Europe.

Mr. Speaker there is an estimated 3,000,000 Lithuanians in the United States, working in our shops, factories, mines, farms, in every trade and pro-

fession. They contribute to our general welfare and prosperity and help to make our country the great Nation it is.

At this gathering on February 14, which was attended by several thousand of the leading business and professional men, Americans of Lithuanian descent, representing people in all walks of life, together with civic leaders and many of our public officials, resolutions were adopted petitioning the President, Hon. Franklin Delano Roosevelt; the Secretary of State, Hon. Cordell Hull; and the Congress of the United States that in any peace negotiations following the war for the future stability of Europe and world peace Lithuania be restored as a free and independent nation in conformity with the principles of the Atlantic Charter.

The resolution adopted reads as follows:

The Lithuanian Democratic League of Cook County, the American Lithuanian Mothers' Service Club, proud Chicago mothers of 1,300 sons now serving in the armed forces of the United States, together with leading public officials, civic leaders, and many church representatives, in commemorating the twenty-fifth anniversary of the independence of Lithuania, are fully mindful of the desperate and tragic plight of Lithuania today.

Once again this little but valiant nation is being ground under the heels of tyrants—once again her people are dying the deaths of martyrs and heroes, never giving up hope that succor will soon come from the great and the mighty nations that are engaged in a life and death struggle with the evil and anti-Christ forces of Hitlerism and totalitarianism.

We are fully mindful and deeply appreciative of the justice and freedom which prevails in these beloved United States of America where human rights are paramount; and we are thankful beyond expression that we are permitted to enjoy these sacred and blessed privileges as citizens of this great democracy. Surely, the "four freedoms," recently proclaimed by our great President, Franklin Delano Roosevelt, are ours to enjoy and pass on as a noble heritage to our dear children.

But our hearts bleed for the people of Lithuania and the other conquered and enslaved nations throughout the world; and it is our fervent hope and prayer that they, too, will soon enjoy the blessings which are ours—blessings which can flow only from a true democracy.

We were thrilled several months back when our great President, Franklin Delano Roosevelt, and the Prime Minister of England, Winston Churchill, promulgated the national policies of their respective countries in the form of the Atlantic Charter, upon which they based their hopes for a better future for the world. The Atlantic Charter, speaking for the United States and Great Britain, proclaimed:

"They respect the right of all peoples to choose the form of government under which they will live; and they wish to see sovereign rights and self-government restored to those who have been forcibly deprived of them."

And as additional assurance that the ideals of the United Nations remain intact and steadfast, our President, in his memorable and historic radio address Friday night, February 12, restated and repudged these principles when he said:

"It is one of our war aims as expressed in the Atlantic Charter that the conquered populations of today, the overrun countries, shall again become the masters of their destiny. There must be no doubt anywhere that it is the unalterable purpose of the United Nations to restore to conquered peoples their sacred rights."



The 3,000,000 Americans of Lithuanian descent subscribe wholeheartedly to this great program for Lithuania and other nations similarly situated; and we dedicate our energy, our time, our money, our ingenuity, our very lives, to helping our country win this war: It is therefore

*Resolved*, That the above and foregoing statements express the true beliefs and sentiments of the Lithuanian Democratic League of Cook County and its many guests gathered at the Lithuanian Democratic banquet in the Palmer House on this 14th day of February 1943; and it is further resolved that the President of the United States, Franklin Delano Roosevelt; the Secretary of State, Cordell Hull, and Congress be duly apprised of said resolution, and that they be and are hereby urged to welcome and accept Lithuania now, and for all future time, as a member of the United Nations; and that she be assured of the future protection of the United States against the blight of Hitlerism and of all the other isms which spell slavery and death.

#### THE RUMI PLAN

Mr. GEARHART. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. GEARHART. Mr. Speaker, a couple of days ago, Mr. Beardsley Ruml took to the air to defend his plan to skip and kiss good-bye forever our right to tax the 1942 national income of \$115,000,000,000. This when the Government needs money more than it ever needed it before.

He deplored, as he has so often heretofore, the use of "forgiveness" as a word to describe his scheme for the skipping of our already matured income-tax bill for 1942.

"It's not a forgiveness," he shouted. All that he would do, he insisted, is to turn the tax clock forward 1 year and go on paying just the same.

What he failed to mention was that when "we turn the tax clock forward" that we will have all had 2 years of income and only paid 1 year of income taxes. Nice going.

Neither did he mention that as far as the none-too-well-to-do are concerned, the "feel" of the tax collection would be just the same, but that the rich and the exceeding well-to-do would ring up in tax savings fortunes beyond the dreams of Midas. For them, not pie in the sky bye and bye, but pie on the platter right now.

Not a word did he say about the thousands of new war-made profiteering millionaires that would sprout like mushrooms—if his plan should receive congressional approval.

Mr. Speaker, are the people so gullible as to fall for all this silly talk about the imperative necessity of "getting on a pay-as-you-go basis?" Is that not but a puny consideration when compared with the forgiving of \$10,000,000,000 in tax revenues?

As the martyred Lincoln admonished, you can, perhaps, fool the people a part of the time, but, Mr. Speaker, sooner or later the people will see this crafty tax-gyping scheme in all of its ugly naked-

ness—Wall Street boondoggling at its worst. It is nothing but an ill-disguised maneuver to get away with paying but 1 year's taxes on 2 years' income. Nothing could be plainer.

Mr. Speaker, this is no year to be forgiving a year's taxes to the rich as the poor go on paying and paying and paying. The year to forgive is the year when it is necessary to forgive—in years of recession and depression, not when the people are all employed at the highest compensation ever paid, when everybody has money in his pockets, when the banks are full to overflowing with savings, when the people have billions of dollars invested in savings and War bonds.

Mr. Speaker, no one needs to be forgiven their taxes, this year of all years. If we grant the forgiveness that Banker Ruml demands, we will have surrendered to war profiteering, consented to a repetition of the scandals of the First World War, when we stood idly by while new marble mansions were built by 43,000 new-made war-profiteering millionaires, one for every white cross that was raised to mark the grave of an American soldier, sailor, and marine who remained to sleep eternally in Flanders Fields.

By the Grace of God, that shall not happen again!

The Rumlites shall not pass!

#### ORDER OF BUSINESS

Mr. MARTIN of Massachusetts. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. MARTIN of Massachusetts. Mr. Speaker, may I ask the acting majority leader if there has been any change in the program for next week?

Mr. RAMSPECK. Monday is District day. I have been informed by the chairman of the Committee on the District of Columbia that six bills are to be brought up on that day.

Mr. MARTIN of Massachusetts. Can the gentleman tell us which bills they are?

Mr. RAMSPECK. There will be a bill amending the District of Columbia Unemployment Compensation Act; a bill dealing with pay increases for the employees of the District of Columbia; a bill permitting one of the hospitals here to use butter substitutes; a bill relating to tax exemption for the American Tree Association; a bill dealing with assessments against property owners for the construction of gutters; and a bill involving the question of women working 48 hours per week in the District of Columbia.

On Tuesday the alien seamen deportation bill will be considered.

On Wednesday the Steagall bill, dealing with the question of including allotment payments and soil conservation payments in computing parity will be considered.

On Thursday, Friday, and Saturday there will be general debate on the tax bill.

Mr. MARTIN of Massachusetts. I thank the gentleman.

#### EXTENSION OF REMARKS

Mr. SHORT. Mr. Speaker, I ask unanimous consent to extend my remarks by the inclusion of an article from the Washington Star.

The SPEAKER pro tempore. Is there objection?

There was no objection.

Mr. MORRISON of Louisiana. Mr. Speaker, I ask unanimous consent to extend my remarks in the Record and include a radio speech I made, and also to extend my remarks in the Record and include a short statement on sugar.

The SPEAKER pro tempore. Is there objection?

There was no objection.

Mr. MRUK. Mr. Speaker, I ask unanimous consent to extend my remarks and include a petition by the Legislature of the State of New York memorializing Congress to extend the Social Security Act.

The SPEAKER. Is there objection?

There was no objection.

The SPEAKER pro tempore. Under special order heretofore made, the Chair recognizes the gentleman from California [Mr. ELLIOTT] for 15 minutes.

#### DAIRY FARM CONDITIONS IN THE LOS ANGELES DISTRICT

Mr. ELLIOTT. Mr. Speaker, I realize the hour is late, that very few Members are left on the floor. However, we do have a serious condition existing throughout the United States in regard to the milk industry. I say this because we have had notice in the press that shortly there will be rationing of milk and milk products, butter, and cheese. I was very much interested this afternoon in some of the discussion on the Pace bill. As far as I am individually concerned I feel that the Pace bill is only a partial step toward correcting evils to make it possible that the farmers will produce more food. Had Hitler and his associates sent someone to the United States to hamper the production of foodstuffs, he could not have done a better job than to have selected some of those who have been in the Office of Price Administration to make a bungling out of our food program. They have placed ceilings on commodities, foodstuffs, below what it actually cost to produce. I say this for the simple reason that in my own State of California we are faced with a serious condition today on account of the ceilings being placed on butterfat, and the result of that ceiling price has been this: The Office of Price Administration placed the price in October 1942 of 97½ cents per pound on butterfat, and as a matter of fact it costs \$1.08 to produce that unit. What has happened? In the county of Los Angeles for weeks the slaughtering of dairy cows has been as high as 614 cows per day on an average. Think of that! Here is a county with 100,000 cows, and there are many people in that area, in addition to the armed forces, and those who are working in the airplane factories producing airplanes and munitions of war.

To think that it has taken the Office of Price Administration all this time to

realize the mistake they made. The mistake was made in October, and just a few days ago was the first time that there has been any consideration given to correcting that mistake. At that time they changed the ceiling price from 97½ cents to \$1.03 in the Los Angeles area.

Mr. VOORHIS of California. Mr. Speaker, will the gentleman yield?

Mr. ELLIOTT. Yes.

Mr. VOORHIS of California. I have two letters here from the man who has charge of the program of purchasing these cows when the dairymen have sent them into the yards for slaughter. I think perhaps it is pertinent at this time in the gentleman's speech. This man points out that when the price was set at \$1.08 per pound of butterfat there was a very small flow of good dairy cattle into the stockyards indeed, but when the price was put back to 97 cents, they began to come in in large numbers. And I have a later letter after the price was fixed at \$1.03, in which he says the dairymen are still culling herds, and are not purchasing replacements; and he concludes by saying that a milk shortage threatens and that there is no necessity for this, if the dairymen are given a chance to operate at a fair profit, and he feels that the adjustment of the O. P. A. was not enough to stop the flow of those cows to slaughter.

Mr. ELLIOTT. That is quite correct.

Mr. ANGELL. Will the gentleman yield?

Mr. ELLIOTT. I yield.

Mr. ANGELL. The same condition, I may say, exists in my district. I was talking today with a gentleman who has a very fine dairy herd in the vicinity of Portland, Oreg., and he told me he was wiring to his manager to close the farm and dispose of the stock, because he found it was impossible to employ help at the price he was required to pay—\$150 a month for farm hands. Another dairy with which I was particularly familiar, one of the outstanding dairy herds of Portland, has been operating for 15 or 20 years. He is disposing of all of his stock and going out of business. Those are only two examples. There are dozens of others that are taking place in that area. As the gentleman knows, Oregon is a very extensive dairying country. We have a fine climate and plenty of outside feed and open winters, and we are in a position to carry on that business. We make great quantities of cheese and dairy products, but the people in that territory are finding it absolutely impossible to continue under present conditions.

Mr. ELLIOTT. That is the picture, and I thank the gentleman for his remarks.

I have great confidence in the present gentleman who holds the office of Price Administrator, Mr. Prentiss Brown, but I would clean house in that department and get rid of a lot of people who know nothing about what they are doing. What they are doing is hamstringing the farmer and stopping much needed food production, especially when they place ceilings that do not even come up to the cost of production of the product.

Mr. SHORT. Mr. Speaker, will the gentleman yield?

Mr. ELLIOTT. I yield.

Mr. SHORT. The gentleman from California is making a very able speech. It is obvious to all, I think, that unless the farmer receives cost of production he simply cannot and will not produce. The condition that the gentleman has described in California and that the gentleman from Oregon says is true in his State, is also true in my own State. It prevails pretty widely throughout the Nation. Many of the dairy farmers are forced to sell their herds for slaughter purposes, and we all know you cannot produce a dairy cow overnight. It takes about 3 years to produce a dairy cow. Does the gentleman understand the benefits which we voted the farmers this afternoon in the so-called Pace bill apply only to the growers of cotton, corn, wheat, and oats?

It does not apply to the dairymen?

Poultry, eggs, milk, cheese, butter, and cream are not affected at all?

Those farmers who must purchase wheat, corn, and oats at an increased price will find it even more difficult unless we do something in addition for the dairy farmers?

Mr. VOORHIS of California. Will the gentleman yield?

Mr. ELLIOTT. I yield.

Mr. VOORHIS of California. I am certain the gentleman from Missouri [Mr. SHORT] is in error. I went into that point very carefully. As to the Pace bill, what will happen if it becomes law is that the national average of farm wage levels taken in the base period will be compared with the national average of farm wage levels today, the parity index figure will be adjusted accordingly so that in determining parity the base period prices for all commodities will be multiplied by a definite and higher index figure.

Mr. SHORT. I am grateful to the gentleman for throwing that light upon the discussion, because I was just informed by the gentleman from Virginia [Mr. ROBERTSON], who just checked the figures, that it did not apply to the producers of all commodities but only to those four major products. I trust I am mistaken and that the gentleman from Virginia is mistaken also.

Mr. ELLIOTT. I may say that the methods of production of fluid milk, particularly in southern California, are much different from those in effect in many eastern and midwestern markets. Producers for the Los Angeles market are very large. They handle nearly 100,000 cows, and milk production is the sole occupation of about 760 of those producers. Most of the cows are high producers, 400 pounds of milk fat per year being the standard used in computing costs as compared with the United States average of only 268 pounds. Since herds are so large the dairymen employ most of their help. Milkers are employed under a union labor contract at a wage of \$175 per month, plus overage for excess gallonage milked per day. Those men average over \$200 per month, plus free milk, and work 6 days per week.

The Los Angeles consumers require an average daily milk supply of 1,600,000 quarts—a figure which is increasing rapidly, due to military purchases and the great influx of civilian war workers.

Now, what is happening? The feed costs have gone up. For instance, barley has gone from \$1.60 to \$1.75 in the last 5 months; milo, from \$1.45 to \$1.95; cottonseed, from \$41 a ton to \$42.75 a ton; bran, from \$39.80 to \$41.60 per ton; soybeans, from \$43.90 to \$44.65; linseed meal, from \$37 to \$50.50 a ton; beet pulp, from \$41 to \$41.75, only a slight change; alfalfa hay went from \$23.50 and \$24.50 up to \$38 and \$39 a ton—all in the last 5 months.

The increased hay costs, plus the increased costs of labor and other factors, make it prohibitive that the farmer can take \$1.03 in the city of Los Angeles, when it actually costs him \$1.08 to produce that product.

We would not have rationing today if it had not been for the interference by departments, which has confused the farmers and caused reduced plantings and production.

I think that the Members that are on the floor will agree with me that if we had been permitted to produce the amount of milk and milk products without price ceiling being placed on that commodity by someone not having practical experience, we would be far better off today.

This is also true with meat birds and poultry. They placed a ceiling on poultry not knowing anything about what they were doing and in my State of California it caused the people producing the meat birds to destroy those birds by the thousands at the time when we needed the meat.

So it goes back to the statement I made awhile ago that we would be much better off if we could just take some of the people who are in the Office of Price Administration, give them a check and send them on their way. Certainly they are doing the country no good. They are creating conditions that are hard to correct, and I have confidence that Prentiss will correct it.

Our farmers are wanting to do their utmost to produce the commodities and foodstuffs to feed our armed forces, the people of other countries under lend-lease, and our civilian population, but certainly we cannot make any progress with the confusion and the bungling.

Mr. Speaker, I include here the letter written to our President by the California delegation relative to this serious problem.

WASHINGTON, D. C., February 24, 1943.  
HON. FRANKLIN D. ROOSEVELT,  
The President of the United States,  
The White House.

MY DEAR MR. PRESIDENT: We, members of the California delegation, are much concerned by our belief that the policies being pursued by the Office of Price Administration in reference to ceilings on food products are very substantially reducing the essential food supply of the Nation.

While this communication is specifically inspired by the milk-supply situation, the basis of our concern applies to several other food products of great importance to the consumers of the country.



We face a choice between reasonable prices covering production costs or shortage administratively created in our food supply.

We deem nothing in relation to agriculture of greater importance than production of foods and feed. Ordinarily the Nation must rely on the hope of the farmer of securing a fair price, including all his costs of production, as a means of inducing a supply of our essential food products.

We observe with apprehension what seems to be a dominating purpose in reference to our food supply—to destroy this normal means of inducing production and substitute therefor incentive payments, or promises of incentive payment.

We do not believe that incentive payments are going to be a sufficient basis on which our farmers will rely as a substitute for the inducement offered by reasonable prices, including all costs of production.

The farmer must have assurance that his prices, if controlled by the Government, must be adjusted to meet current costs. Under present conditions, the orders of the Office of Price Administration, and the shortage of farm labor, are decreasing production, restricting planting, demoralizing the farming industry as to some of our most important foods, and menacing the food and feed supply of the Nation. Valuable milk cows are being sent to the slaughterhouses, planting of essential crops being withheld for the lack of a program on which the farmer can rely.

Farmers are being asked to supply foods essential for our economic and military needs at prices below the cost of production.

The Nation is supporting industrial material costs and labor costs on higher price planes than ever before known in our history. An imposition of farm prices below the cost of production does not fit into this picture. Persistence in such a policy will make impossible that supply of food which farmers are urged to supply for the Nation.

We are convinced that price ceilings on agricultural products below the cost of production are a hindrance and a menace to the war effort.

We feel constrained to support legislation which will require that price ceilings on food products shall, at least, be sufficient to cover the cost of production under reasonably efficient management.

We do not believe that Congress is going to support an incentive plan as a substitute for the normal inducement of reasonable prices.

The situation in our State as to the effect of price ceilings on milk, meat, poultry, and some other products, is little less than appalling.

It is a tragedy, under present conditions, that governmental policies should be forcing the reduction in our food supplies such as milk, meat, and poultry. We urge immediate remedial measures be taken.

Respectfully yours,

Clarence F. Lea, A. J. Elliott, Bertrand W. Gearhart, John Phillips, Ward Johnson, J. Leroy Johnson, Chet Hollifield, Norris Poulson, Carl Hinshaw, Richard J. Welch, John H. Tolan, Jerry Voorhis, George E. Outland, Ed. V. Izac, Tom Rolph, Albert E. Carter, John Z. Anderson, Will Rogers, Jr., Harry L. Englebright, John M. Costello, Harry R. Sheppard, Thomas F. Ford, Cecil R. King.

The CHAIRMAN. The time of the gentleman has expired.

Mr. ELLIOTT. Mr. Speaker, I ask unanimous consent to include a letter written to Hon. Franklin D. Roosevelt, signed by the entire California delegation, regarding this situation.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California [Mr. ELLIOTT]?

There was no objection.

#### AMENDMENT TO NATIONAL HOUSING ACT AS AMENDED

Mr. STEAGALL. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (S. 677) to amend the National Housing Act, as amended, and agree to the Senate amendment to the House amendment.

The Clerk read the title of the bill.

The Clerk read the amendment, as follows:

Senate amendment: Strike out, in line 1, "and such" and insert "the National Housing."

Mr. MARTIN of Massachusetts. Mr. Speaker, may I ask the gentleman, this is merely a technical amendment?

Mr. STEAGALL. You might call it a clerical amendment to refer to the proper act. That is all it is. This is agreeable to the minority Members.

The Senate amendment to the House amendment was agreed to, and a motion to reconsider was laid on the table.

The SPEAKER pro tempore. Under a previous special order of the House, the gentleman from California [Mr. VOORHIS] is recognized for 15 minutes.

#### THE FOOD ADMINISTRATION

Mr. VOORHIS of California. Mr. Speaker, may I say that I heartily agree with my colleague from California about the setting of any ceiling prices at below a cost-of-production figure. I believe that he has brought out certain facts about some of our farm commodities in that respect which are very important to be brought to the attention of the House and which I earnestly hope may be corrected by the O. P. A.

We have a Food Administration. It is headed by the Secretary of Agriculture, the Honorable Claude Wickard, one of the most earnest and faithful public servants in America today. But neither Mr. Wickard, nor his entire organization is possessed of anything like the extent of authority which is absolutely necessary if the job of securing maximum food production and fair distribution is to be done.

The Food Administration does not control the fixing of ceiling prices on farm products. It has no power over food rationing. It must work through the Farm Equipment Branch of the War Production Board in order to secure production and distribution of farm machinery. Even its efforts to recruit farm labor and protect agriculture against further depletion of its manpower are clouded with some uncertainty. It is absolutely necessary that there be a centralization of authority and responsibility in the Food Administration if our food production goals are to be met and our present farm and food production problems solved.

The only criticism which can be justly made of Secretary Wickard is that he has not been tough enough and has not insisted as hard as he was entitled to do

upon having the powers essential to get the job done for which the Nation regards him as being responsible.

Before I proceed further, it is necessary to say a few words about the Office of Price Administration. Former Senator Prentiss Brown inherited perhaps the hardest job connected with the whole war effort. It is my belief that given time Senator Brown will straighten out most of the difficulties that have beset the work of O. P. A. and in some instances driven some of our people to consternation. But there are one or two general matters of policy which are important. In the first place there is no necessary connection between the job of fixing prices and the job of rationing. And so far as the rationing of food is concerned, it seems to me perfectly clear that this should be an integral part of the Food Administration.

Furthermore, it is, I believe, no great secret that O. P. A. has been largely dominated by its legal staff—a staff probably considerably larger than it needs to be, and one which naturally is prone to make decisions on the basis of broad general and legalistic ideas which in all too many cases fail to fit the particular needs of the industries or groups affected. I could cite instances where men on the staff of O. P. A. itself have made exhaustive investigation of the situation with regard to the production of certain farm products, have arrived at a decision as to what the ceiling price ought to be, and then had their decision nullified by the Legal Division of O. P. A. and the price reduced. This sort of thing simply ought not to happen.

There is another consideration of fundamental importance regarding the work of O. P. A. Ever since the beginning of the war there has been a lot of talk about inflation and a lot of talk about preventing any increases in price levels. Many people have been given the impression that there would be no increases in prices at all. In my opinion such a situation cannot be realized and no one should be led to believe that it can. The job of O. P. A. in my judgment is to prevent unwarranted increases in prices and to see to it that no harmful rise in the cost of living takes place. It will do a better job if it goes in for controlled adjustment of prices than it will if it attempts to apply rigid theory to its work. I say these things as one who fully realizes that until the Congress is prepared to take fundamental action in the field of monetary control and taxation, we have to have a price administration. O. P. A. must be ready, however, to make continuing studies and adjustments, industry by industry, and farm crop by farm crop. And so far I think by and large it can be said that O. P. A. has failed to realize that such continual adjustments will always be a necessity. The idea seems to have prevailed that the whole structure of price control would break down if they yielded on any ceiling price, however compelling the argument might be for them to do so. In my judgment exactly the opposite is the case, and the

real threat to the structure of price control will come if it is made too rigid rather than if it is not rigid enough.

I now return to a consideration of the Food Administration and what I deem to be absolutely essential steps which must be taken if its work is to be effective.

First, as to prices of farm commodities, in my judgment the commodity branches in the Department of Agriculture are the agencies best equipped to determine fair price ceilings, if we must have such ceilings over farm products. These commodity branches backed by their regional organizations can determine what the real costs are in producing these farm crops in various parts of the country. They should be in a position to fix ceiling prices which will really be ceiling prices—that is to say, prices that are of sufficiently high level to secure maximum production from all producers in the field. These commodity branches ought also, in my judgment, to have control over food imports, a job which is now divided up between a number of different agencies with resultant and inevitable confusion. Direct authority and responsibility, subject only to the general direction of the Food Administrator himself, for securing maximum production at home and such importation as is possible and necessary, could be placed in the hands and upon the shoulders of the commodity branches that already are set up and have years of experience and training behind them.

The present shortage of farm machinery is largely, in my opinion, the result of a division of authority and responsibility with regard to it. There are signs that the situation is clearing and that so far as 1944 is concerned, and possibly so far as the harvesting of this year is concerned, the situation will be considerably better than it is now.

Nevertheless, we should have learned our lesson, and the Food Administration must have in its own hands complete responsibility and authority for the manufacture and distribution of farm machinery, equipment, and repair parts. This, of course, would have to be subject to the amount of material which can be allocated for this purpose in view of other war needs—but subject only to this one limitation. There ought not to be divided responsibility in this respect. And agriculture ought to receive, it seems to me, more than a bare 1 percent of available steel supplies, which is all it is getting now. Farmers must have machinery in view of the labor shortage. I am ready to concede that under Mr. Kreger, the new head of the Farm Equipment Section of the War Production Board, a man not directly connected with any of the huge concerns in this field, there may be a real cooperation and the Farm Equipment Branch may be ready to carry out the decisions of the Food Administration. Nevertheless, it would seem to me better, as I have said, if complete responsibility and authority in the field were in the hands of the proper people in the Food Administration. Those men are doing a good job right now—the best, I think, that could be done under existing circumstances.

Again it seems to me so logical as to hardly need to be pointed out that the same agency should decide questions concerning the distribution of food and also such questions as the relative value of ration stamps which must be used for the purchase of food. Otherwise one agency of the Government is responsible for the general movements of food commodities and another one for consumer rationing thereof. And certain it is that the people who are directly dealing with the obtaining of food supplies and who know first hand what those supplies are going to be are the only logical people to decide about their distribution or rationing if the latter is necessary.

America is not going to be defeated on the food front. With all our difficulties, our farmers produced more last year than they have ever produced in history. With increased difficulties this year they will do the very best they can again, but anything that we can do to simplify the structure of our Food Administration to concentrate authority and responsibility will certainly be of help, and therefore must and should be done.

#### EXTENSION OF REMARKS

Mr. GAVIN. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and to include two editorials appearing in the Oil City Derrick.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Pennsylvania [Mr. GAVIN]?

There was no objection.

The SPEAKER pro tempore. Under a previous special order of the House, the gentleman from Oregon [Mr. ANGELL] is recognized for 15 minutes.

#### FUEL OIL RATIONING BUNGLED

Mr. ANGELL. Mr. Speaker, I have asked for this time to discuss briefly a critical situation which exists in Portland, Oreg., in my district, growing out of the rationing program for fuel oil. This rationing program has been bungled which is bringing distress to the people in my district and interfering with the war program.

At the meeting held at the time the rationing orders for the Pacific Northwest were about to be promulgated, at the office of Secretary Ickes, we were advised that a reduction of 30 percent in oil consumption would be provided for. However, under the regulations now being enforced in Portland for the period from February 1 to September 30, 1943, the oil curtailment averages 50 percent, and is resulting in suffering and distress, which bids fair to disrupt the morale of our people in the heroic efforts they are putting forth to advance the war program. A hundred thousand workers have come into the Portland area who are engaged in shipbuilding and other war activities, and have made an outstanding record in their contributions to the prosecution of the war. They are working on three shifts, and all housing facilities are practically 100 percent occupied, and as a result there is a much heavier strain on maintaining housing facilities and keeping them in proper condition as to heat and other facilities

to provide for a minimum of comfort and health for the tenants.

Not alone does the problem involve supplying of heat to keep the dwelling units habitable, but hot water is a major problem where so many workers are employed in shipyards, and other war industries, and are going and coming at all hours of the day, owing to the three-shift program. This means that landlords must keep hot water 24 hours a day and must supply at least a minimum of heat to protect the health of the tenants, depending upon the hours of their occupancy of the dwellings. It would not seem to require argument to show that 50-percent cut only means suffering, ill health, and complete break-down of habitable housing facilities. The council of the city of Portland, in order to help meet this situation, adopted a new code, which provides a temperature of 65 degrees from 7 a. m. to 11 a. m.; a minimum of 60 degrees from 11 a. m. to 3:30 p. m.; 65 degrees from 3:30 p. m. to 5:30 p. m.; and 68 degrees from 5:30 p. m. to 9:30 p. m.

Landlords are required to maintain these heat schedules or be punished. The rationing allowances of fuel oil, however, will not permit them to maintain these temperatures and furnish hot water to tenants.

This code permits lower temperatures than required heretofore.

I am advised that some apartments and hotels have already used their full allotment of oil for the period from February 1 to September 30. They are confronted with the dilemma as to whether to provide a minimum of heat and hot water, even though it completely exhausts the oil allotment in a few weeks, or to endeavor to spread the meager allowance over the full period and by so doing fail to give even a minimum of heat or hot water required and leave the tenants in distress over the whole period.

My people advise me that these orders were apparently made and promulgated here in Washington, without an appreciation or an understanding of the peculiar conditions existing locally in Portland. Apparently it is an endeavor to make Portland fit into a comprehensive plan for all of the United States and thus fail to provide for minimum requirements for heat and hot water as made necessary by the conditions existing in this specific area. The muddle which has developed by reason of the rationing restrictions being imposed on the Portland area leads me to say that my prediction made February 27 seems now justified:

I am not at all certain, however, that those in charge of the problem are sufficiently imbued with the gravity of the situation to make the necessary arrangements to keep our fuel-oil supply sufficient to meet minimum needs.

The fact is that these orders now being enforced are not meeting the situation honestly, and a minimum of heat and hot water is not being permitted in the Portland area. As a result not only suffering and ill health, but a crippling of the whole war effort will follow.



I am hopeful that consideration may be given to the representations made by our own people on the ground, who know the problems and who are in a position to give valuable information and suggestions as to what should be done under the circumstances to solve this problem.

Under these regulations now being enforced in Portland, two-fifths of the oil allowance covers the 8-month period from February to October, and three-fifths the 4-month period from October to February. Those who formulated these regulations overlooked the fact that in Portland the spring months of February, March, and April are ordinarily comparatively heavy heating months. The heating requirements for these months is frequently as heavy or heavier than October, November, and December. As a result, when we run into cold weather during these first 3 months of the 8-month period, all of the oil supply permitted under these rationing regulations will be exhausted during that period and during the remaining five months no oil will be available.

Those who formulated these regulations overlook the fact that regardless of the oil needed for furnishing heat, hot water must be supplied the year round, particularly so now with war workers engaged on three shifts and requiring hot water during the 24-hour period of the day and using especially large amounts for bathing and laundry work, because of the curtailment imposed on public laundries which is forcing many people to do their own laundry in the apartments and homes they are renting. Operators of apartment houses and other dwelling units in the Portland area find that it requires for hot-water heating a third as much oil as that for house heating. This allowance, of course, must be continued throughout the hot summer months. In fact, the need for hot water is much greater during the hot summer months than during the winter, because more laundry work is required, and manual workers in the shipyards and other war industries must have much greater allowances of hot water for bathing purposes. These regulations completely ignore this fundamental requirement necessary to maintain the health and comfort of the tenants.

We in Portland live within a few hundred miles of an immense supply of fuel oil in California, which is not only adequate but more than sufficient to supply all of our needs without any interference with the war program. Those in charge of transportation have dilly-dallied and failed to take the necessary steps within time, in order to keep our supply of fuel oil moving into our area. Over a year ago I called this to the attention of those in charge of the program but received no consideration. I am hopeful that those Federal officials in charge of fuel-oil rationing will make possible the supplying of a sufficient quantity of fuel oil to this territory to meet the minimum of our requirements and prevent sickness and distress and disruption of the war work in that area.

#### LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted as follows:

To Mrs. SMITH of Maine, for 1 week, starting March 22, on account of official business.

To Mr. ROWE, indefinitely, on account of illness in family.

To Mr. HINSHAW (at the request of Mr. HOLMES of Washington), for 1 day, on account of illness.

#### SENATE ENROLLED BILLS SIGNED

The SPEAKER pro tempore announced his signature to enrolled bills of the Senate of the following titles:

S. 171. An act for the relief of Arthur A. Schipke.

S. 405. An act for the relief of Mrs. Ernestine Fuseller Sigler.

S. 517. An act for the relief of Vodie Jackson.

S. 518. An act for the relief of Robert T. Groom, Daisy Groom, and Margaret Groom Turpin.

#### ADJOURNMENT

Mr. RAMSPECK. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 5 o'clock and 45 minutes p. m.), under its previous order, the House adjourned until Monday, March 22, 1943, at 12 o'clock noon.

#### COMMITTEE HEARINGS

##### COMMITTEE ON THE JUDICIARY

Subcommittee No. 1 of the Committee on the Judiciary will conduct hearings on H. R. 694, a bill to provide for the attachment, garnishment, execution, or trustee process of wages and salaries of civil officers and employees of the United States, at 10 a. m. on Wednesday, March 24, 1943, in room 346, House Office Building, Washington, D. C.

##### COMMITTEE ON THE MERCHANT MARINE AND FISHERIES

The Committee on the Merchant Marine and Fisheries will meet in open hearing on Monday, March 29, 1943, at 10 a. m. to consider the subject of allegations by certain labor leaders of wasted space on ships going to north Africa and delays in ship sailings.

The Committee on the Merchant Marine and Fisheries will hold a public hearing on Thursday, April 1, 1943, at 10 a. m., on S. 163 (H. R. 498) to amend section 511 of the Merchant Marine Act, 1936, as amended, relating to ship-construction reserve funds, and for other purposes.

Congressman GEORGE J. BATES, of Massachusetts, patron of the bill H. R. 1766, upon which hearings were scheduled on Thursday, April 8, 1943, is a member of the Committee on Naval Affairs and of a subcommittee of that committee, duties of which will compel him to be absent from Washington on Thursday, April 8, 1943. Accordingly, the hearing scheduled for that date has been changed to Thursday, April 15, 1943 at 10 a. m.

#### EXECUTIVE COMMUNICATIONS, ETC.

262. Under clause 2 of rule XXIV a letter from the Secretary of War, trans-

mitting a draft of a proposed bill to amend the act approved January 2, 1942, entitled "An act to provide for the prompt settlement of claims for damages occasioned by Army, Navy, and Marine Corps forces in foreign countries," was taken from the Speaker's table and referred to the Committee on Claims.

#### REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. BLAND: Committee on the Merchant Marine and Fisheries. House Joint Resolution 92. Joint resolution to authorize the refund by the War Shipping Administrator of certain freights for transportation on frustrated voyages; without amendment (Rept. No. 257). Referred to the Committee of the Whole House on the state of the Union.

Mr. PATTON: Committee on Accounts. House Resolution 177. Resolution providing for the payment of salary for a special Assistant Sergeant at Arms; without amendment (Rept. No. 259). Referred to the House Calendar.

Mr. DOUGHTON: Committee on Ways and Means. House Joint Resolution 100. Joint resolution extending the time within which certain acts under the Internal Revenue Code are required to be performed; without amendment (Rept. No. 260). Referred to the Committee of the Whole House on the state of the Union.

Mr. BRYSON: Committee on the Judiciary. H. R. 1201. A bill to permit prosecutions after the lapse of a temporary statute for offenses committed prior to its expiration; without amendment (Rept. No. 261). Referred to the Committee of the Whole House on the state of the Union.

Mr. GWYNNE: Committee on the Judiciary. H. R. 1202. A bill to amend section 36 of the Criminal Code; without amendment (Rept. No. 262). Referred to the House Calendar.

Mr. KEFAUVER: Committee on the Judiciary. H. R. 1203. A bill to eliminate private suits for penalties and damages arising out of frauds against the United States; with an amendment (Rept. No. 263). Referred to the Committee of the Whole House on the state of the Union.

Mr. PETERSON of Florida: Committee on the Public Lands. H. R. 1896. A bill to amend sections 1 and 2 of the act approved June 11, 1940 (54 Stat. 262), relating to the establishment of the Cumberland Gap National Historical Park in Tennessee, Kentucky, and Virginia, and to grant the consent of Congress to such States to enter into a compact providing for the acquisition of property for such park; with an amendment (Rept. No. 264). Referred to the Committee of the Whole House on the state of the Union.

Mr. RANDOLPH: Committee on the District of Columbia. H. R. 2159. A bill to provide for special assessments for the laying of curbs and gutters; without amendment (Rept. No. 265). Referred to the Committee of the Whole House on the state of the Union.

Mr. FLANNAGAN: Committee on Agriculture. H. R. 2020. A bill to amend the Agricultural Adjustment Act of 1938, as amended, for the purpose of further regulating interstate and foreign commerce in tobacco, and for other purposes; without amendment

(Rept. No. 266). Referred to the Committee of the Whole House on the state of the Union.

Mr. MAY: Committee on Military Affairs. S. 495. An act to establish a Women's Army Auxiliary Corps for service in the Army of the United States; with an amendment (Rept. No. 267). Referred to the Committee of the Whole House on the state of the Union.

Mr. DOUGHTON: Committee on Ways and Means. H. R. 2218. A bill to provide a method for the payment currently of individual income taxes, and for other purposes; without amendment (Rept. No. 268). Referred to the Committee of the Whole House on the state of the Union.

#### ADVERSE REPORTS

##### Under clause 2 of rule XIII.

Mr. LUTHER A. JOHNSON: Committee on Foreign Affairs. House Resolution 165. Resolution requesting certain passport information from the Secretary of State (Rept. No. 258). Laid on the table.

#### PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. AUCHINCLOSS:

H. R. 2240. A bill to promote the national defense and to facilitate and protect the transport of materials and supplies needful to the Military Establishment and essential to domestic requirements through safe and adequate inland waterways, by the immediate authorization of the construction of the New Jersey Intracoastal Waterway section of the Atlantic Intracoastal Waterway; to the Committee on Rivers and Harbors.

By Mr. BARRETT:

H. R. 2241. A bill to abolish the Jackson Hole National Monument as created by Presidential Proclamation No. 2578, dated March 15, 1943, and to restore the area embraced within and constituting said monument to its status as part of the Teton National Forest; to the Committee on the Public Lands.

By Mr. PATMAN:

H. J. Res. 102. Joint resolution to permit retailers to combine in negotiating purchases from suppliers; to the Committee on the Judiciary.

By Mr. FISH:

H. Res. 179. Resolution requesting certain information from the Secretary of War; to the Committee on Military Affairs.

#### PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. BLAND:

H. R. 2242. A bill granting a pension to Barbara Oertel; to the Committee on Pensions.

By Mr. SASSER:

H. R. 2243. A bill for the relief of George N. Cox, Jr.; to the Committee on Military Affairs.

By Mr. TOWE:

H. R. 2244. A bill for the relief of Frank and Nancy Foglia, parents of Frank Foglia, a minor, deceased; to the Committee on Claims.

#### PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

309. By Mr. ANDREWS: Memorial of the Assembly and the Senate of the State of New York, petitioning Congress to amend the Social Security Act; to the Committee on Ways and Means.

310. By Mr. CLASON: Petition of the City Council of the City of Springfield, Mass., favoring the immediate passage of legislation granting the franking privilege to any veteran who is a patient in a veterans' facility; to the Committee on the Post Office and Post Roads.

311. Also, memorial of the General Court of Massachusetts, memorializing Congress to increase the bed capacity of the West Roxbury Veterans' Hospital; to the Committee on World War Veterans' Legislation.

312. Also, memorial of the General Court of Massachusetts, memorializing Congress to adopt an adequate antilynching law; to the Committee on the Judiciary.

313. Also, memorial of the General Court of Massachusetts, memorializing the Congress to enact legislation substantially in accordance with the Ruml plan for the deferred collection of the income tax; to the Committee on Ways and Means.

314. Also, memorial of the General Court of Massachusetts, memorializing Congress to enact the anti-poll-tax bill, so-called; to the Committee on the Judiciary.

315. By Mr. FITZPATRICK: Petition of the New York State Legislature, petitioning the Congress of the United States to amend the social security law to include certain employees now excluded from the benefits of the social security law; to the Committee on Ways and Means.

316. Mr. FOGARTY: Memorial of the General Assembly of the State of Rhode Island, urging the erection of a United States veterans' hospital in the State of Rhode Island; to the Committee on World War Veterans' Legislation.

317. By Mr. HEIDINGER: Petition of Edna Burnett, Mrs. Charles W. Elder, Auda A. Stone, Ruth Rhine, Wanda Carter, Nell Reed, Madge Roberson, and Kathryn Mathis, in support of and urging the passage of Senate bill 637; to the Committee on Education.

318. By Mr. ROCKWELL: Petition of the Legislature of the State of Colorado, concerning interference with banking by Federal financing agencies; to the Committee on Banking and Currency.

319. By Mr. ROLPH: Resolution of the National Organization of Masters, Mates and Pilots of America, West Coast Local No. 90, regarding war bonus loss; to the Committee on the Merchant Marine and Fisheries.

320. Also, resolution of the National Organization of Masters, Mates and Pilots of America, West Coast Local No. 90, regarding enrolling merchant marine seamen in United States maritime service and furnishing free uniforms; to the Committee on the Merchant Marine and Fisheries.

321. Mr. SHORT: Petition signed by Jennie E. Hovey and other residents of Howell County, Mo., urging the enactment of Senate bill 860 for protection of young men in the service; to the Committee on Military Affairs.

322. By Mr. LYNCH: Memorial of the Senate of the State of New York, petitioning the Congress of the United States to amend the social-security law to include certain employees now excluded from the benefits of that law; to the Committee on Ways and Means.

## HOUSE OF REPRESENTATIVES

MONDAY, MARCH 22, 1943

The House met at 12 o'clock noon, and was called to order by the Speaker pro tempore.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

Heavenly Father, we feel Thy hallowed presence round us stealing as Thou dost wait for our approach. We pray that we

may be keenly alive to Thy will; our only right is to do that which is good with Thine own. We praise Thee that when we use our powers to bind up the broken-hearted, to enthrone truth, and to remind men of their duty, it is Thy will and kingdom of grace. Oh, teach America the spiritual interpretation of her possessions; then she will attain the dominion of true character.

With this day, dear Lord, recurs sober reflection on the reality of that which confronts us. We thank Thee for the blessed assurance of Thy holy word; let it comfort every home encompassed with the clouds of war and resound on the battle lines of freedom:

*Thou shalt not be afraid for the terror by night, nor for the arrow that flyeth by day, nor for the pestilence that walketh in darkness, nor for the destruction that wasteth at noonday. Only with thine eyes shalt thou behold and see the reward of the wicked, because thou hast made the Lord, even the Most High, thy habitation. There shall no evil befall thee, neither shall any plague come nigh thy dwelling; for He shall give His angels charge over thee to keep thee in all thy ways.*

Through Christ. Amen.

The Journal of the proceedings of Friday, March 19, 1943, was read and approved.

#### EXTENSION OF REMARKS

Mr. REED of New York. Mr. Speaker, I ask unanimous consent to extend my own remarks in the Appendix of the RECORD and to include therein an editorial.

The SPEAKER pro tempore. Without objection, it is so ordered.

There was no objection.

Mr. MARTIN of Massachusetts. Mr. Speaker, I ask unanimous consent that my colleague the gentleman from California [Mr. ANDERSON] may extend his own remarks in the RECORD.

The SPEAKER pro tempore. Without objection, it is so ordered.

There was no objection.

#### COMMITTEE ON AGRICULTURE

Mr. RAMSPECK. Mr. Speaker, I offer a resolution (H. Res. 180) and ask for its immediate consideration.

The Clerk read as follows:

*Resolved*, That during the Seventy-eighth Congress the Committee on Agriculture shall be composed of 27 members.

The resolution was agreed to, and a motion to reconsider was laid on the table.

#### ELECTION TO COMMITTEE ON AGRICULTURE

The SPEAKER pro tempore. Without objection, the election of the gentleman from California [Mr. PHILLIPS] on Friday last to the Committee on Agriculture is hereby confirmed and ratified.

There was no objection.

THE LATE HONORABLE FRANK O. LOWDEN

Mr. ALLEN of Illinois. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.